



**Social Security and Other Legislation
Amendment (Pension Reform and Other
2009 Budget Measures) Act 2009**

No. 60, 2009

**An Act to amend the law relating to social security,
veterans' affairs, family assistance and aged care,
and for related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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No. 60, 2009

**An Act to amend the law relating to social security,
veterans' affairs, family assistance and aged care,
and for related purposes**

[Assented to 29 June 2009]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Social Security and Other Legislation
Amendment (Pension Reform and Other 2009 Budget Measures)
Act 2009*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	29 June 2009
2. Schedule 1	20 September 2009.	20 September 2009
3. Schedule 2	The day on which this Act receives the Royal Assent.	29 June 2009
4. Schedule 3	1 January 2010.	1 January 2010
5. Schedule 4	20 September 2009.	20 September 2009
6. Schedule 5	Immediately after the commencement of Schedule 1 to the <i>Carbon Pollution Reduction Scheme Amendment (Household Assistance) Act 2009</i> . However, if that Schedule does not commence, the provision(s) do not commence at all.	
7. Schedules 6, 7 and 8	20 September 2009.	20 September 2009
8. Schedule 9	The day on which this Act receives the Royal Assent.	29 June 2009
9. Schedule 10, Part 1	20 September 2009.	20 September 2009
10. Schedule 10, Part 2, Division 1	20 September 2009.	20 September 2009
11. Schedule 10, Part 2, Division 2	21 September 2009.	21 September 2009

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
12. Schedule 11	The day on which this Act receives the Royal Assent.	29 June 2009
13. Schedule 12	1 July 2010.	1 July 2010
14. Schedule 13	1 July 2009.	1 July 2009
15. Schedule 14, items 1 and 2	30 June 2009.	30 June 2009
16. Schedule 14 item 3	3 July 2009.	3 July 2009
17. Schedule 14, items 4 and 5	30 June 2009.	30 June 2009
18. Schedule 15	20 September 2009.	20 September 2009
19. Schedule 16	1 July 2009.	1 July 2009
20. Schedule 17	20 September 2009.	20 September 2009
21. Schedule 18	The day on which this Act receives the Royal Assent.	29 June 2009

Note: This table relates only to the provisions of this Act as originally passed by both Houses of the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

- (2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Increased pension rates on 20 September 2009

Part 1—Increased maximum basic rate

Social Security Act 1991

1 At the end of Part 3.16

Add:

Division 7—Increase in maximum basic rate of some pensions on 20 September 2009

1206GE Maximum basic rate of some single pensions increased on 20 September 2009

- (1) This Act has effect as if, on 20 September 2009, each indexed amount of pension MBR that is described in subsection (2) and substituted under subsection 1192(1) (as affected by Division 3, if relevant) for another amount on that day were in turn replaced with an amount equal to the indexed amount plus \$1,560.00.

Note: For *pension MBR* see item 1 of the table in section 1190.

- (2) Subsection (1) applies to the amounts of pension MBR specified in the following provisions:
- (a) column 3 of each of items 1, 3, 4 and 5 of the table in point 1064-B1;
 - (b) column 3 of each of items 1, 3, 4 and 5 of the table in point 1065-B1;
 - (c) point 1066-B1.

Part 2—Disability support pension for persons under 21 with dependent children

Division 1—Main amendments

Social Security Act 1991

2 Paragraphs 117(b) and (d)

Omit “and has not turned 21”, substitute “, has not turned 21 and does not have any dependent children”.

3 At the end of section 117

Add:

Note: For *dependent child* see section 5.

4 Paragraph 1064(1)(b)

After “21”, insert “, or of a person who has not turned 21 and has one or more dependent children”.

5 At the end of subsection 1064(1)

Add:

Note 3: For *dependent child* see section 5.

6 After paragraph 1065(1)(b)

Insert:

and (c) disability support pension payable to a person who:

- (i) is permanently blind; and
- (ii) has not turned 21; and
- (iii) has one or more dependent children;

7 Subsection 1065(1) (note)

Omit “Note:”, substitute “Note 1:”.

8 At the end of subsection 1065(1)

Add:

Note 2: For *dependent child* see section 5.

9 Subsection 1066A(2)

Repeal the subsection, substitute:

(2) Subsection (1) does not apply if:

- (a) the person is permanently blind; or
- (b) the person has one or more dependent children.

Note 1: The rate for a disability support pension payable to a person under 21 who is permanently blind is dealt with in section 1066B.

Note 2: For *dependent child* see section 5.

Note 3: The rate for a disability support pension payable to a person under 21 who has one or more dependent children is dealt with in section 1064 or 1065.

10 Point 1066A-B1

Omit “and whether the person has a dependent child”.

11 Point 1066A-B1 (table, column 3A)

Repeal the column.

12 Point 1066A-B1 (table, heading to column 3B)

Repeal the heading.

13 Point 1066A-B1 (table, column 4A)

Repeal the column.

14 Point 1066A-B1 (table, heading to column 4B)

Repeal the heading.

15 Point 1066A-B1 (note 2)

Omit “*dependent child* and”.

16 Point 1066A-B1 (note 4)

Omit “columns 3A and 3B”, substitute “column 3”.

17 After subsection 1066B(1)

Insert:

(1A) Subsection (1) does not apply if the person has one or more dependent children.

Note 1: The rate for a disability support pension payable to a person under 21 who has one or more dependent children is dealt with in section 1065.

Note 2: For *dependent child* see section 5.

18 Point 1066B-B1

Omit “and whether the person has a dependent child”.

19 Point 1066B-B1 (table, column 3A)

Repeal the column.

20 Point 1066B-B1 (table, heading to column 3B)

Repeal the heading.

21 Point 1066B-B1 (table, column 4A)

Repeal the column.

22 Point 1066B-B1 (table, heading to column 4B)

Repeal the heading.

23 Point 1066B-B1 (note)

Omit “*dependent child* and”.

24 Point 1066B-B1 (note 4)

Omit “columns 3A and 3B”, substitute “column 3”.

Division 2—Related amendments

Social Security Act 1991

25 Subsection 19D(5) (subparagraph (a)(ii) of the definition of *maximum payment rate*)

After “21”, insert “, or is under 21 and has one or more dependent children”.

26 Subsection 19D(5) (paragraph (b) of the definition of *maximum payment rate*)

After “21”, insert “, or is under 21 and has one or more dependent children”.

27 Subsection 19D(5) (paragraph (d) of the definition of *maximum payment rate*)

Omit “and not blind”, substitute “, is not blind and does not have any dependent children”.

28 Subsection 19D(5) (paragraph (e) of the definition of *maximum payment rate*)

Omit “and is blind”, substitute “, is blind and does not have any dependent children”.

29 Subsection 1061JU(4) (subparagraph (a)(ii) of the definition of *maximum basic rate*)

After “21”, insert “, or is under 21 and has one or more dependent children”.

30 Subsection 1061JU(4) (paragraph (b) of the definition of *maximum basic rate*)

After “21”, insert “, or is under 21 and has one or more dependent children”.

31 Subsection 1061JU(4) (paragraph (d) of the definition of *maximum basic rate*)

Omit “and not blind”, substitute “, is not blind and does not have any dependent children”.

32 Subsection 1061JU(4) (paragraph (e) of the definition of *maximum basic rate*)

Omit “and is blind”, substitute “, is blind and does not have any dependent children”.

33 Subsection 1061JU(4) (at the end of the definition of *maximum basic rate*)

Add:

Note: For *dependent child* see section 5.

34 At the end of section 1070D

Add:

- (4) Subsections (1), (2) and (3) do not apply if:
- (a) the person's social security payment is disability support pension; and
 - (b) the person has not turned 21.

Note: The specific requirement for a person who is receiving disability support pension and has not turned 21 is in section 1070F.

35 Subsection 1070F(1)

Repeal the subsection, substitute:

- (1) If:
- (a) the person's social security payment is disability support pension; and
 - (b) the person has not turned 21; and
 - (c) the rate of the person's social security payment is to be calculated in accordance with Pension Rate Calculator A or Pension Rate Calculator D;
- the specific requirement applicable to the social security payment is that the person comply with subsection (2) or (3).

36 At the end of section 1070L

Add:

- (3) Subsections (1) and (2) do not apply if:
- (a) the person's social security payment is disability support pension; and
 - (b) the person has not turned 21.

Note: The rate of rent assistance for a person who is receiving disability support pension and has not turned 21 is worked out:

- (a) under section 1070N if the person has not turned 18; and
- (b) under section 1070P if the person has turned 18.

37 Subsection 1070N(1)

Repeal the subsection, substitute:

- (1) The person's rate of rent assistance is worked out under this section if:
- (a) the person is receiving disability support pension; and
 - (b) the person has not turned 18; and

- (c) the rate of the person's pension is to be calculated in accordance with Pension Rate Calculator A or Pension Rate Calculator D.

38 Subsection 1070P(1)

Repeal the subsection, substitute:

- (1) The person's rate of rent assistance is worked out under this section if:
 - (a) the person is receiving disability support pension; and
 - (b) the person has turned 18 but has not turned 21; and
 - (c) the rate of the person's pension is to be calculated in accordance with Pension Rate Calculator A or Pension Rate Calculator D.

39 Subsection 1188C(5) (definition of *threshold*) (table item 3, column 4)

Omit "column 4B", substitute "column 4".

40 Subsection 1188C(5) (definition of *threshold*) (table item 4, column 4)

Omit "column 4B", substitute "column 4".

41 Section 1190 (table item 1, column 2)

After "21", insert "and has no dependent children".

42 Section 1190 (table item 1A)

Repeal the item.

43 Section 1190 (table item 1B, column 4)

Omit "column 3B" (wherever occurring), substitute "column 3".

44 Subparagraphs 1195(1)(a)(iv) and (v)

Repeal the subparagraphs.

45 Subparagraph 1195(1)(b)(ii)

Omit "column 3;" , substitute "column 3."

46 Subparagraphs 1195(1)(b)(iii) and (iv)

Repeal the subparagraphs.

47 Section 1198B (table items 1 and 2)

Repeal the items.

48 Section 1198B (table item 3, column 3)

Omit “column 3B”, substitute “column 3”.

49 Section 1198B (table item 4, column 3)

Omit “column 3B”, substitute “column 3”.

50 Section 1198B (table item 5, column 3)

Omit “column 3B”, substitute “column 3”.

Part 3—Other amendments

Social Security Act 1991

51 Subsection 17(8)

Repeal the subsection, substitute:

- (8) For the purposes of the definition of *income cut-out amount* in subsection (1), the formula is as follows:

$$\frac{2 \times \left(\begin{array}{c} \text{Maximum} \\ \text{basic rate} \end{array} + \begin{array}{c} \text{Point 1064-BA3} \\ \text{amount} \end{array} \right) + \text{Ordinary free area limit}}{52}$$

where:

maximum basic rate means the amount specified in column 3 of item 1 of the table in point 1064-B1.

ordinary free area limit means the amount specified in column 3 of item 1 in Table E-1 in point 1064-E4.

point 1064-BA3 amount means the pension supplement amount worked out under point 1064-BA3 for a person who is not a member of a couple:

- (a) whether or not the person for whom the income cut-out amount is being worked out is a member of a couple; and
- (b) whether or not that point applies to the person for whom the income cut-out amount is being worked out.

52 Section 93H

Repeal the section, substitute:

93H Annual pension rate

Application

- (1) This section sets a person's annual pension rate for the purposes of this Division if the start day for the age pension is on or after 20 September 2009.
-

Note: See clause 144 of Schedule 1A if the start day is before 20 September 2009.

If person is not permanently blind

- (2) If the person is not permanently blind, the person's **annual pension rate** is the rate that would be the person's provisional annual payment rate under step 11 of the method statement in point 1064-A1, worked out as at the start day for the age pension, if the maximum payment rate under step 4 of the method statement were the total of:
- (a) the person's maximum basic rate under point 1064-B1; and
 - (b) the amount worked out for the person using the table in subsection (4).

If person is permanently blind

- (3) If the person is permanently blind, the person's **annual pension rate** is the sum of the following, worked out as at the start day for the age pension:
- (a) the person's maximum basic rate in the table in point 1065-B1;
 - (b) the amount worked out for the person using the table in subsection (4).

Amount for paragraphs (2)(b) and (3)(b)

- (4) For the purposes of paragraphs (2)(b) and (3)(b), the table is as follows:

Amount for paragraphs (2)(b) and (3)(b)		
Column 1 Item	Column 2 Person's family situation	Column 3 Amount
1	Not member of a couple	\$507.00
2	Partnered	\$423.80
3	Member of illness separated couple	\$507.00
4	Member of respite care couple	\$507.00
5	Partnered (partner in gaol)	\$507.00

Note 1: For *member of a couple, partnered, illness separated couple, respite care couple* and *partnered (partner in gaol)* see section 4.

Schedule 1 Increased pension rates on 20 September 2009

Part 3 Other amendments

Note 2: The amounts are indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

53 Section 1190 (after table item 36)

Insert:

Pension bonus

- | | | | |
|-----|--|--|---------------------------------|
| 37. | Pension supplement component for pension bonus | Pension supplement component for pension bonus | [subsection 93H(4)—all amounts] |
|-----|--|--|---------------------------------|

54 Subsection 1191(1) (after table item 26)

Insert:

Pension bonus

- | | | | | | |
|-----|--|----------------------------------|--------------------------|--|--------|
| 27. | Pension supplement component for pension bonus | (a) 20 March
(b) 20 September | (a) December
(b) June | highest June or December quarter before reference quarter (but not earlier than June quarter 2008) | \$2.60 |
|-----|--|----------------------------------|--------------------------|--|--------|

Part 4—Application of amendments

55 Application of amendments

The amendments made by this Schedule apply for the purposes of working out the rates of social security payments for days on or after 20 September 2009.

Note: After applying those amendments, different rates for some social security payments may be worked out under Schedule 1A to the *Social Security Act 1991*.

Schedule 2—Indexation using the Pensioner and Beneficiary Living Cost Index

Social Security Act 1991

1 Point 1064-B1 (at the end of note 2)

Add “See also sections 1196 to 1198 (about Pensioner and Beneficiary Living Cost Index indexation).”.

2 Point 1065-B1 (at the end of note 2)

Add “See also sections 1196 to 1198 (about Pensioner and Beneficiary Living Cost Index indexation).”.

3 Point 1066-B1 (at the end of the note)

Add “See also sections 1196 to 1198 (about Pensioner and Beneficiary Living Cost Index indexation).”.

4 After paragraph 1189(a)

Insert:

- (aa) the indexation of the maximum basic rates for certain social security pensions using the Pensioner and Beneficiary Living Cost Index; and

5 Subsection 1192(2) (method statement, step 4)

After “amount:”, insert “subject to Division 3,”.

6 Subsection 1192(2) (method statement, step 4)

After “(The indexed amount”, insert “(including one replaced under Division 3)”.

7 After Division 2 of Part 3.16

Insert:

Division 3—Social security pension indexation using Pensioner and Beneficiary Living Cost Index

1196 Social security pension indexation using Pensioner and Beneficiary Living Cost Index

- (1) This section applies to the amount (the *starting amount*) referred to in column 2 of item 1 of the table in subsection 1191(1), except to the extent that it covers the maximum basic rate for pension PP (single).
- (2) If the indexed amount for the starting amount, worked out under section 1192 on an indexation day and disregarding section 1195 and this Division, is less than the living cost amount worked out on that indexation day using the following method statement, then that indexed amount is taken to be an amount equal to that living cost amount:

Method statement

Step 1. Use section 1197 to work out the living cost indexation factor on that indexation day.

Step 2. Work out the current figure for the starting amount immediately before that indexation day.

Note: For *current figure* see subsection 20(1).

Step 3. Multiply the current figure by the living cost indexation factor: the result is the *provisional living cost amount*.

Step 4. Use section 1198 to round off the provisional living cost amount: the result is the *living cost amount*.

Note: If the indexed amount for the starting amount, worked out under section 1192, is taken to be an amount equal to that living cost amount, there may be a further increase of that replaced indexed amount under section 1195.

1197 Living cost indexation factor

- (1) Subject to subsections (5) and (6), the living cost indexation factor on an indexation day is:
-

$$\frac{\text{Living cost index number for reference quarter}}{\text{Living cost index number for base quarter}}$$

worked out to 3 decimal places.

Definitions

- (2) For the purposes of this section, the **living cost index number**, in relation to a quarter, is the All Groups Pensioner and Beneficiary Living Cost Index number that is the weighted average of the 8 capital cities and is published by the Australian Statistician in respect of that quarter.
- (3) For the purposes of this section, the **reference quarter** is:
 - (a) if the indexation day is a 20 March—the most recent December quarter before the indexation day; and
 - (b) if the indexation day is a 20 September—the most recent June quarter before the indexation day.
- (4) For the purposes of this section, the **base quarter** is the June or December quarter that:
 - (a) is a quarter before the reference quarter; and
 - (b) has the highest living cost index number.

Rounding

- (5) If a living cost indexation factor worked out under subsection (1) would, if it were worked out to 4 decimal places, end in a number that is greater than 4, that indexation factor is to be increased by 0.001.
- (6) If a living cost indexation factor worked out under subsections (1) and (5) would be less than 1, that indexation factor is to be increased to 1.

Publication of substituted living cost index numbers

- (7) Subject to subsection (8), if at any time (whether before or after the commencement of this section) the Australian Statistician publishes a living cost index number for a quarter in substitution for a living cost index number previously published by the Australian Statistician for that quarter, the publication of the later

living cost index number is to be disregarded for the purposes of this section.

Change to reference base

- (8) If at any time (whether before or after the commencement of this section) the Australian Statistician changes the reference base for the Pensioner and Beneficiary Living Cost Index, regard is to be had, for the purposes of applying this section after the change takes place, only to living cost index numbers published in terms of the new reference base.

1198 Rounding off amounts

- (1) If a provisional living cost amount is a multiple of \$2.60, the provisional living cost amount becomes the living cost amount.
- (2) Subject to subsection (3), if a provisional living cost amount is not a multiple of \$2.60, the living cost amount is the provisional living cost amount rounded up or down to the nearest multiple of \$2.60.
- (3) If a provisional living cost amount is not a multiple of \$2.60 but is a multiple of \$1.30, the living cost amount is the provisional living cost amount rounded up to the nearest multiple of \$2.60.

Schedule 3—Indexation using combined couple benchmark

Social Security Act 1991

1 Point 1064-B1 (note 2)

Repeal the note, substitute:

Note 2: The maximum basic rates are adjusted 6 monthly: see sections 1191 to 1198A.

2 Point 1065-B1 (note 2)

Repeal the note, substitute:

Note 2: The maximum basic rates are adjusted 6 monthly: see sections 1191 to 1198A.

3 Point 1066-B1 (note)

Repeal the note, substitute:

Note: The maximum basic rate is adjusted 6 monthly: see section 1198A.

4 Section 1190 (table item 1, column 2)

After “social security pension”, insert “payable to a person who is partnered or for pension PP (single)”.

5 Section 1190 (table item 1, column 4)

Omit:

[Pension Rate Calculator A—point 1064-B1—Table B—column 3—all amounts]

[Pension Rate Calculator B—point 1065-B1—Table B—column 3—all amounts]

[Pension Rate Calculator C—point 1066-B1—the annual rate]

substitute:

[Pension Rate Calculator A—point 1064-B1—Table B—item 2—column 3]

[Pension Rate Calculator B—point 1065-B1—Table B—item 2—column 3]

6 Section 1190 (after table item 1)

Insert:

1AAA.	Maximum basic rates for a social security pension that are to be worked out by reference to the maximum basic rates for a social security pension payable to a person who is partnered	single pension rate MBR	[Pension Rate Calculator A—point 1064-B1—Table B—items 1, 3, 4 and 5—column 3] [Pension Rate Calculator B—point 1065-B1—Table B—items 1, 3, 4 and 5—column 3] [Pension Rate Calculator C—point 1066-B1—the annual rate]
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7 Paragraph 1195(1)(a)

Repeal the paragraph, substitute:

- (a) a *category A amount* is the annual rate specified in point 1068A-B1; and

8 Subsection 1195(2)

Repeal the subsection, substitute:

- (2) If:
 - (a) a category A amount is to be indexed under this Division on an indexation day; and
 - (b) 25% of the annualised MTAWWE figure for whichever of the following quarters is applicable:
 - (i) if the indexation day is a 20 March—the most recent December quarter;
 - (ii) if the indexation day is a 20 September—the most recent June quarter;
 exceeds the indexed amount for the category A amount;
 then:
 - (c) the indexed amount for the category A amount is to be increased by an amount equal to the excess; and
 - (d) if the indexed amount for the category A amount (as increased under paragraph (c)) is not a multiple of \$2.60, the indexed amount (as increased under paragraph (c)) is to be further increased by rounding up to the next highest multiple of \$2.60.

(2A) If:

- (a) a category B amount is to be indexed under this Division on an indexation day; and
- (b) 50% of the combined couple benchmark for that indexation day exceeds the indexed amount for the category B amount;

then:

- (c) the indexed amount for the category B amount is to be increased by an amount equal to the excess; and
 - (d) if the indexed amount for the category B amount (as increased under paragraph (c)) is not a multiple of \$2.60, the indexed amount (as increased under paragraph (c)) is to be further increased by rounding up to the next highest multiple of \$2.60.
- (2B) For the purposes of this section, the *combined couple benchmark*, for an indexation day, is 41.76% of the annualised MTAWWE figure for whichever of the following quarters is applicable:
- (a) if the indexation day is a 20 March—the most recent December quarter;
 - (b) if the indexation day is a 20 September—the most recent June quarter.

9 Before section 1198B

Insert:

1198A Adjustment of single pension rate MBR amounts

- (1) This Act has effect as if, on 20 March (an *indexation day*) and 20 September (an *indexation day*) each year, the adjusted single pension amount were substituted for each single pension rate MBR amount (see item 1AAA of the table in section 1190).
- (2) For the purposes of this section, the adjusted single pension amount is worked out as follows:

Method statement

- Step 1. Work out the amount substituted for the amount specified in column 3 of item 2 of Table B in point 1064-B1 on that indexation day under section 1192.

- Step 2. Multiply the amount worked out at step 1 by 2.
- Step 3. Work out 66.33% of the amount worked out at step 2.
- Step 4. Round the amount worked out at step 3 to the nearest multiple of \$2.60 (rounding up if necessary): the result is the *adjusted single pension amount*.

Schedule 4—Pension supplements

Part 1—Key concepts

Social Security Act 1991

1 After section 20

Insert:

20A Pension supplement rate definitions

- (1) The *combined couple rate of pension supplement* is the sum of the following:
- (a) 4 times the annual rate of utilities allowance for a person who is a member of a couple (other than an illness separated couple, respite care couple or temporarily separated couple);
 - (b) twice the annual rate of telephone allowance for a person:
 - (i) to whom section 1061SB (increased rate for home internet) applies; and
 - (ii) who is partnered (partner getting pension or benefit, and partner getting telephone allowance at the increased rate);
 - (c) twice the annual rate of pharmaceutical allowance for a person who is partnered;
 - (d) twice the pension supplement basic amount for a person who is partnered;
 - (e) if \$525.20 exceeds twice the annual rate of utilities allowance for a person who is a member of a couple (other than an illness separated couple, respite care couple or temporarily separated couple)—the amount of the excess;
- rounded up to the nearest multiple of \$5.20.

Note 1: This rate is indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

Note 2: This rate is an annual rate.

- (2) The *combined couple rate of minimum pension supplement* is the sum of the following:

- (a) 4 times the annual rate of utilities allowance for a person who is a member of a couple (other than an illness separated couple, respite care couple or temporarily separated couple);
- (b) twice the annual rate of telephone allowance for a person:
 - (i) to whom section 1061SB (increased rate for home internet) applies; and
 - (ii) who is partnered (partner getting pension or benefit, and partner getting telephone allowance at the increased rate);

rounded up to the nearest multiple of \$5.20.

Note 1: This rate is indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

Note 2: This rate is an annual rate.

- (3) For the purposes of subsection (1) or (2), a rate mentioned in a paragraph of that subsection is that rate as at 20 September 2009.

Note: Those subsections adopt those rates as indexed on 20 September 2009.

- (4) A person's *minimum pension supplement amount* is the amount worked out by:

- (a) applying the applicable percentage in the following table to the combined couple rate of minimum pension supplement; and
- (b) if:
 - (i) the person is not partnered; and
 - (ii) the amount resulting from paragraph (a) is not a multiple of \$2.60;
 rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Item	Person's family situation	Use this %
1	Not member of couple	66.33%
2	Partnered	50%
3	Member of illness separated couple	66.33%
4	Member of respite care couple	66.33%
5	Partnered (partner in gaol)	66.33%

Note: A person's minimum pension supplement amount is an annual rate.

Schedule 4 Pension supplements
Part 1 Key concepts

- (5) A person's *pension supplement basic amount* depends on which family situation in the following table applies to the person. The person's *pension supplement basic amount* immediately before 20 September 2009 is the corresponding amount set out in the table.

Item	Person's family situation	Amount as at 19 September 2009
1	Not member of couple	\$507
2	Partnered	\$423.80
3	Member of illness separated couple	\$507
4	Member of respite care couple	\$507
5	Partnered (partner in gaol)	\$507

Note 1: The amount in each item of the table will be indexed on 20 September 2009 in line with any increase in CPI (see subsection 1192(3C)).

Note 2: For the purposes of provisions other than subsection (1), each of those indexed amounts will be further indexed 6 monthly in line with CPI increases (see sections 1191 to 1194).

Note 3: A person's pension supplement basic amount is an annual rate.

- (6) The daily rate of *tax-exempt pension supplement*, for a person who is receiving a social security payment calculated for that day using a pension supplement amount, is the amount worked out as follows:
- (a) subtract the person's pension supplement basic amount from:
 - (i) if the Rate Calculator produces an annual rate—the person's pension supplement amount; or
 - (ii) if the Rate Calculator produces a fortnightly rate—26 times the person's pension supplement amount;
 - (b) divide the result of paragraph (a) by 364.

Note: The portion of the person's social security payment equal to the tax-exempt pension supplement is exempt from income tax (see sections 52-10 and 52-15 of the *Income Tax Assessment Act 1997*).

Part 2—Amendment of Rate Calculators

Social Security Act 1991

2 Point 1064-A1 (method statement, step 2)

Repeal the step.

3 Point 1064-A1 (method statement, step 4)

Omit “, 2”.

4 Section 1064 (Module BA)

Repeal the Module, substitute:

Module BA—Pension supplement

Pension supplement

1064-BA1 A pension supplement amount is to be added to the person’s maximum basic rate.

Residents in Australia etc.

1064-BA2 If the person is residing in Australia and:

- (a) is in Australia; or
- (b) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks;

the person’s pension supplement amount is:

- (c) if an election by the person under subsection 1061VA(1) is in force—the amount worked out under point 1064-BA4; and
- (d) otherwise—the amount worked out under point 1064-BA3.

Residents in Australia etc.—no election in force

1064-BA3 The person’s pension supplement amount is the amount worked out by:

- (a) applying the applicable percentage in the following table to the combined couple rate of pension supplement; and
- (b) if:

Schedule 4 Pension supplements
Part 2 Amendment of Rate Calculators

- (i) the person is not partnered; and
 - (ii) the amount resulting from paragraph (a) is not a multiple of \$2.60;
- rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Item	Person's family situation	Use this %
1	Not member of couple	66.33%
2	Partnered	50%
3	Member of illness separated couple	66.33%
4	Member of respite care couple	66.33%
5	Partnered (partner in gaol)	66.33%

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

Residents in Australia etc.—election in force

- 1064-BA4 The person's pension supplement amount is the amount worked out as follows:
- (a) work out the amount for the person under point 1064-BA3 as if the election were not in force;
 - (b) from that amount, subtract the person's minimum pension supplement amount.

Persons absent from Australia for more than 13 weeks

- 1064-BA5 If the person is not covered by point 1064-BA2, the person's pension supplement amount is the person's pension supplement basic amount.

5 Section 1064 (Module C)

Repeal the Module.

6 Point 1065-A1 (method statement, step 3)

Repeal the step.

7 Point 1065-A1 (method statement, step 4)

Omit “, 2A and 3”, substitute: “and 2A”.

8 Section 1065 (Module BA)

Repeal the Module, substitute:

Module BA—Pension supplement

Pension supplement

1065-BA1 A pension supplement amount is to be added to the person's maximum basic rate.

Residents in Australia etc.

1065-BA2 If the person is residing in Australia and:

- (a) is in Australia; or
- (b) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks;

the person's pension supplement amount is:

- (c) if an election by the person under subsection 1061VA(1) is in force—the amount worked out under point 1065-BA4; and
- (d) otherwise—the amount worked out under point 1065-BA3.

Residents in Australia etc.—no election in force

1065-BA3 The person's pension supplement amount is the amount worked out by:

- (a) applying the applicable percentage in the following table to the combined couple rate of pension supplement; and
- (b) if:
 - (i) the person is not partnered; and
 - (ii) the amount resulting from paragraph (a) is not a multiple of \$2.60;

rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Item	Person's family situation	Use this %
1	Not member of couple	66.33%
2	Partnered	50%
3	Member of illness separated couple	66.33%

Schedule 4 Pension supplements
Part 2 Amendment of Rate Calculators

Item	Person's family situation	Use this %
4	Member of respite care couple	66.33%
5	Partnered (partner in gaol)	66.33%

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

Residents in Australia etc.—election in force

1065-BA4 The person's pension supplement amount is the amount worked out as follows:

- (a) work out the amount for the person under point 1065-BA3 as if the election were not in force;
- (b) from that amount, subtract the person's minimum pension supplement amount.

Persons absent from Australia for more than 13 weeks

1065-BA5 If the person is not covered by point 1065-BA2, the person's pension supplement amount is the person's pension supplement basic amount.

9 Section 1065 (Module C)

Repeal the Module.

10 Point 1066-A1 (method statement, step 2)

Repeal the step.

11 Point 1066-A1 (method statement, step 4)

Omit “, 2”.

12 Section 1066 (Module BA)

Repeal the Module, substitute:

Module BA—Pension supplement

Pension supplement

1066-BA1 A pension supplement amount is to be added to the person's maximum basic rate.

Residents in Australia etc.

1066-BA2 If the person is residing in Australia and:

- (a) is in Australia; or
- (b) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks;

the person's pension supplement amount is:

- (c) if an election by the person under subsection 1061VA(1) is in force—the amount worked out under point 1066-BA4; and
- (d) otherwise—the amount worked out under point 1066-BA3.

Residents in Australia etc.—no election in force

1066-BA3 The person's pension supplement amount is the amount worked out by:

- (a) applying the applicable percentage in the following table to the combined couple rate of pension supplement; and
- (b) if:
 - (i) the person is not partnered; and
 - (ii) the amount resulting from paragraph (a) is not a multiple of \$2.60;

rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Item	Person's family situation	Use this %
1	Not member of couple	66.33%
2	Partnered	50%
3	Member of illness separated couple	66.33%
4	Member of respite care couple	66.33%
5	Partnered (partner in gaol)	66.33%

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

Residents in Australia etc.—election in force

1066-BA4 The person's pension supplement amount is the amount worked out as follows:

- (a) work out the amount for the person under point 1066-BA3 as if the election were not in force;
- (b) from that amount, subtract the person's minimum pension supplement amount.

Persons absent from Australia for more than 13 weeks

1066-BA5 If the person is not covered by point 1066-BA2, the person's pension supplement amount is the person's pension supplement basic amount.

13 Section 1066 (Module C)

Repeal the Module.

14 Point 1067G-B3A (notes 1 and 2)

Repeal the notes, substitute:

Note: A person's maximum basic rate under Module B of the Pension PP (Single) Rate Calculator is indexed 6 monthly in line with increases in Male Total Average Weekly Earnings (see section 1195).

15 Point 1067L-A1 (method statement, step 1)

After the step, insert:

Step 1A. Work out the pension supplement amount (if any) using Module BA below.

16 Point 1067L-A1 (method statement, step 3)

After "1," insert "1A,".

17 Section 1067L (after Module B)

Insert:

Module BA—Pension supplement

Pension supplement

1067L-BA1 A pension supplement amount is to be added to the person's maximum basic rate if the person is residing in Australia, has reached pension age and:

- (a) is in Australia; or

- (b) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks.

1067L-BA2 The person's pension supplement amount is:

- (a) if an election by the person under subsection 1061VA(1) is in force—the amount worked out under point 1067L-BA4; and
(b) otherwise—the amount worked out under point 1067L-BA3.

Amount if no election in force

1067L-BA3 The person's pension supplement amount is the amount worked out by:

- (a) applying the applicable percentage in the following table to the combined couple rate of pension supplement; and
(b) dividing the result by 26; and
(c) if:
(i) the person is not partnered; and
(ii) the amount resulting from paragraph (b) is not a multiple of 10 cents;
rounding the amount up or down to the nearest multiple of 10 cents (rounding up if the amount is not a multiple of 10 cents but is a multiple of 5 cents).

Item	Person's family situation	Use this %
1	Not member of couple	66.33%
2	Partnered	50%
3	Member of illness separated couple	66.33%
4	Member of respite care couple	66.33%
5	Partnered (partner in gaol)	66.33%

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

Amount if election in force

1067L-BA4 The person's pension supplement amount is the amount worked out as follows:

- (a) work out the amount for the person under point 1067L-BA3 as if the election were not in force;

(b) from that amount, subtract $\frac{1}{26}$ of the person's minimum pension supplement amount.

18 Point 1067L-C1

Omit "point 1067L-C2", substitute "points 1067L-C1A and 1067L-C2".

19 After point 1067L-C1

Insert:

No pharmaceutical allowance if person receiving pension supplement

1067L-C1A Pharmaceutical allowance is not to be added to a person's maximum basic rate if a pension supplement amount has been added to that rate.

20 Point 1068-A1 (method statement, step 1)

After the step, insert:

Step 1A. Work out the pension supplement amount (if any) using Module BA below.

21 Point 1068-B5 (notes 1 and 2)

Repeal the notes, substitute:

Note: A person's maximum basic rate under Module B of the Pension PP (Single) Rate Calculator is indexed 6 monthly in line with increases in Male Total Average Weekly Earnings (see section 1195).

22 Section 1068 (after Module B)

Insert:

Module BA—Pension supplement

Pension supplement

1068-BA1 A pension supplement amount is to be added to the person's maximum basic rate if the person is residing in Australia, has reached pension age and:

(a) is in Australia; or

- (b) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks.

1068-BA2 The person's pension supplement amount is:

- (a) if an election by the person under subsection 1061VA(1) is in force—the amount worked out under point 1068-BA4; and
- (b) otherwise—the amount worked out under point 1068-BA3.

Amount if no election in force

1068-BA3 The person's pension supplement amount is the amount worked out by:

- (a) applying the applicable percentage in the following table to the combined couple rate of pension supplement; and
- (b) dividing the result by 26; and
- (c) if:
 - (i) the person is not partnered; and
 - (ii) the amount resulting from paragraph (b) is not a multiple of 10 cents;rounding the amount up or down to the nearest multiple of 10 cents (rounding up if the amount is not a multiple of 10 cents but is a multiple of 5 cents).

Item	Person's family situation	Use this %
1	Not member of couple	66.33%
2	Partnered	50%
3	Member of illness separated couple	66.33%
4	Member of respite care couple	66.33%
5	Partnered (partner in gaol)	66.33%

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

Amount if election in force

1068-BA4 The person's pension supplement amount is the amount worked out as follows:

- (a) work out the amount for the person under point 1068-BA3 as if the election were not in force;

- (b) from that amount, subtract $\frac{1}{26}$ of the person's minimum pension supplement amount.

23 Point 1068-D1

Before "1068-D4", insert "1068-D3A,".

24 After point 1068-D3

Insert:

No pharmaceutical allowance if person receiving pension supplement

- 1068-D3A Pharmaceutical allowance is not to be added to a person's maximum basic rate if a pension supplement amount has been added to that rate.

25 Section 1068A (Module BA)

Repeal the Module, substitute:

Module BA—Pension supplement

Pension supplement

- 1068A-BA1 A pension supplement amount is to be added to the person's maximum basic rate.

Residents of pension age who are in Australia etc.

- 1068A-BA2 If the person is residing in Australia, has reached pension age and:

- (a) is in Australia; or
(b) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks;

the person's pension supplement amount is:

- (c) if an election by the person under subsection 1061VA(1) is in force—the amount worked out under point 1068A-BA4; and
(d) otherwise—the amount worked out under point 1068A-BA3.

Residents of pension age in Australia etc.—no election in force

- 1068A-BA3 The person's pension supplement amount is the amount worked out by:
-

- (a) working out 66.33% of the combined couple rate of pension supplement; and
- (b) if the result is not a multiple of \$2.60, rounding the result up or down to the nearest multiple of \$2.60 (rounding up if the result is not a multiple of \$2.60 but is a multiple of \$1.30).

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

Residents of pension age in Australia etc.—election in force

1068A-BA4 The person's pension supplement amount is the amount worked out as follows:

- (a) work out the amount for the person under point 1068A-BA3 as if the election were not in force;
- (b) from that amount, subtract the person's minimum pension supplement amount.

Other persons

1068A-BA5 If the person is not covered by point 1068A-BA2, the person's pension supplement amount is the person's pension supplement basic amount.

26 Point 1068A-C1

Before "1068A-C2", insert "1068A-C1A,".

27 After point 1068A-C1

Insert:

No pharmaceutical allowance if person has reached pension age

1068A-C1A Pharmaceutical allowance is not to be added to a person's maximum basic rate if the person has reached pension age.

28 Point 1068B-A2 (method statement, step 2)

After the step, insert:

Step 2A. Work out the pension supplement amount (if any) using Module DA below.

29 Point 1068B-A3 (method statement, step 2)

After the step, insert:

Step 2A. Work out the pension supplement amount (if any) using Module DA below.

30 Section 1068B (after Module D)

Insert:

Module DA—Pension supplement

Pension supplement

1068B-DA1 A pension supplement amount is to be added to the person's maximum basic rate if the person is residing in Australia, has reached pension age and:

- (a) is in Australia; or
- (b) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks.

1068B-DA2 The person's pension supplement amount is:

- (a) if an election by the person under subsection 1061VA(1) is in force—the amount worked out under point 1068B-DA4; and
- (b) otherwise—the amount worked out under point 1068B-DA3.

Amount if no election in force

1068B-DA3 The person's pension supplement amount is the amount worked out by:

- (a) applying the applicable percentage in the following table to the combined couple rate of pension supplement; and
- (b) dividing the result by 26; and
- (c) if:
 - (i) the person is not partnered; and
 - (ii) the amount resulting from paragraph (b) is not a multiple of 10 cents;rounding the amount up or down to the nearest multiple of 10 cents (rounding up if the amount is not a multiple of 10 cents but is a multiple of 5 cents).

Item	Person's family situation	Use this %
1	Partnered	50%
2	Member of illness separated couple	66.33%
3	Member of respite care couple	66.33%
4	Partnered (partner in gaol)	66.33%

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

Amount if election in force

1068B-DA4 The person's pension supplement amount is the amount worked out as follows:

- (a) work out the amount for the person under point 1068B-DA3 as if the election were not in force;
- (b) from that amount, subtract $\frac{1}{26}$ of the person's minimum pension supplement amount.

31 Point 1068B-E1

Before "1068B-E2", insert "1068B-E1A,".

32 After point 1068B-E1

Insert:

No pharmaceutical allowance if person receiving pension supplement

1068B-E1A Pharmaceutical allowance is not to be added to a person's maximum basic rate if a pension supplement amount has been added to that rate.

Part 3—Seniors supplement and quarterly pension supplement

Social Security Act 1991

33 Part 2.25B

Repeal the Part, substitute:

Part 2.25B—Seniors supplement

Division 1—Qualification and payability

1061U Qualification for seniors supplement

A person is qualified for seniors supplement if the person is the holder of a seniors health card.

1061UA When seniors supplement is payable

- (1) Seniors supplement is payable to a person in relation to each day on which the person is qualified for the supplement.
- (2) However, seniors supplement is not payable to the person in relation to a day if:
 - (a) before that day:
 - (i) the person had elected not to be covered by this Part; and
 - (ii) that election had not been withdrawn; or
 - (b) subsection 55(5) (failing to nominate a bank account) of the Administration Act applies to the person.

Division 2—Rate of seniors supplement

1061UB Rate of seniors supplement

- (1) The person's annual rate of seniors supplement is the amount worked out by:
- (a) applying the applicable percentage in the following table to the combined couple rate of minimum pension supplement; and
 - (b) if:
 - (i) the person is not partnered; and
 - (ii) the amount resulting from paragraph (a) is not a multiple of \$2.60;rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Item	Person's family situation	Use this %
1	Not member of couple	66.33%
2	Partnered	50%
3	Member of illness separated couple	66.33%
4	Member of respite care couple	66.33%
5	Partnered (partner in gaol)	66.33%

Note: For *combined couple rate of minimum pension supplement*, see subsection 20A(2).

- (2) The person's daily rate of seniors supplement is worked out by dividing the person's annual rate by 364.

Part 2.25C—Quarterly pension supplement

1061V When this Part applies

- (1) This Part applies to a person if:
- (a) a pension supplement amount is used to work out the rate of the person's social security payment (the *main payment*); and

Schedule 4 Pension supplements

Part 3 Seniors supplement and quarterly pension supplement

- (b) the annual rate of that pension supplement amount is more than the person's pension supplement basic amount.

Note: A pension supplement amount that is more than the person's pension supplement basic amount contains a minimum component. The person may elect under this Part to receive that minimum component on a quarterly basis as a separate social security payment.

- (2) For the purposes of paragraph (1)(b), if the Rate Calculator for the main payment produces a fortnightly rate, then multiply the person's pension supplement amount by 26 to get the annual rate of that pension supplement amount.
- (3) For the purposes of subsection (1), it does not matter if the rate of the person's main payment would become nil were an election by the person under subsection 1061VA(1) to come into force.

1061VA Quarterly pension supplement

- (1) The person may, in a manner or way approved by the Secretary, make an election to receive the person's minimum pension supplement amount on a quarterly basis as a separate social security payment.
- (2) An election comes into force as soon as practicable after it is made.
- (3) The person may, in a manner or way approved by the Secretary, revoke an election. A revocation takes effect as soon as practicable after it happens.
- (4) Quarterly pension supplement is payable to the person in relation to each day on which an election is in force.

1061VB Rate of quarterly pension supplement

- (1) The person's annual rate of quarterly pension supplement is the person's minimum pension supplement amount.
- (2) The person's daily rate of quarterly pension supplement is worked out by dividing the person's annual rate by 364.
- (3) This section has effect subject to subsection 1210(3).

Social Security (Administration) Act 1999

34 Section 48B

Repeal the section, substitute:

48B Payment of seniors supplement

- (1) Seniors supplement is to be paid by instalments.
- (2) An instalment of seniors supplement is to be paid to a person as soon as is reasonably practicable on or after the first seniors supplement test day (the ***current test day***) that follows a day on which the person is qualified for seniors supplement.
- (3) The amount of the instalment is worked out by multiplying the person's daily rate of seniors supplement by the number of days during the test period on which the person was qualified for seniors supplement.
- (4) In this section:

seniors supplement test day means:

- (a) 20 March; or
- (b) 20 June; or
- (c) 20 September; or
- (d) 20 December.

test period means the period:

- (a) starting on the most recent supplement test day before the current test day; and
- (b) ending on the day immediately before the current test day.

48C Payment of quarterly pension supplement

- (1) Quarterly pension supplement is to be paid by instalments.
 - (2) An instalment of quarterly pension supplement is to be paid to a person as soon as is reasonably practicable on or after the first supplement test day (the ***current test day***) that follows a day on which an election by the person under subsection 1061VA(1) is in force.
 - (3) The amount of the instalment is worked out as follows:
-

Schedule 4 Pension supplements

Part 3 Seniors supplement and quarterly pension supplement

Method statement

- Step 1. Divide the person's annual rate of quarterly pension supplement by 4.
- Step 2. Multiply the person's daily rate of quarterly pension supplement by the number of days (if any) during the test period for which an election by the person under subsection 1061VA(1) was not in force.
- Step 3. Multiply the person's daily rate of quarterly pension supplement by the number of days (if any) during the test period:
- (a) on which the person was qualified for seniors supplement; and
 - (b) for which an election by the person under subsection 1061VA(1) was in force.
- Step 4. From the result of step 1, subtract the results of steps 2 and 3.

(4) In this section:

supplement test day means:

- (a) 20 March; or
- (b) 20 June; or
- (c) 20 September; or
- (d) 20 December.

test period means the period:

- (a) starting on the most recent supplement test day before the current test day; and
- (b) ending on the day immediately before the current test day.

Part 4—Other amendments

Income Tax Assessment Act 1997

35 Section 52-10 (table item 22B.1)

Repeal the item, substitute:

22B.1	Seniors supplement	Exempt	Exempt	Not applicable	Not applicable
22C.1	Quarterly pension supplement	Exempt	Exempt	Not applicable	Not applicable

36 Section 52-15 (table)

Repeal the table, substitute:

Supplementary amount of a social security payment

Item	For this category of social security payment:	the supplementary amount is the total of:
1	Age pension	(a) so much of the payment as is included by way of rent assistance; and
	Bereavement allowance	(b) so much of the payment as is included by way of remote area allowance; and
	Carer payment	(c) so much of the payment as is included by way of pharmaceutical allowance; and
	Sickness allowance	(d) so much of the payment as is included by way of tax-exempt pension supplement
	Special benefit	
	Special needs age pension	
	Special needs disability support pension	
	Special needs widow B pension	
	Special needs wife pension	
	Widow B pension	
	Wife pension	

Schedule 4 Pension supplements
Part 4 Other amendments

Supplementary amount of a social security payment

Item	For this category of social security payment:	the supplementary amount is the total of:
2	Disability support pension	(a) so much of the payment as is included by way of rent assistance; and (b) so much of the payment as is included by way of remote area allowance; and (c) so much of the payment as is included by way of pharmaceutical allowance; and (d) so much of the payment as is included by way of incentive allowance; and (e) so much of the payment as is included by way of language, literacy and numeracy supplement; and (f) so much of the payment as is included by way of tax-exempt pension supplement
3	Newstart allowance Parenting payment (benefit (PP partnered)) Parenting payment (pension (PP single)) Partner allowance Widow allowance Youth allowance	(a) so much of the payment as is included by way of rent assistance; and (b) so much of the payment as is included by way of remote area allowance; and (c) so much of the payment as is included by way of pharmaceutical allowance; and (d) so much of the payment as is included by way of language, literacy and numeracy supplement; and (e) so much of the payment as is included by way of tax-exempt pension supplement

Supplementary amount of a social security payment

Item	For this category of social security payment:	the supplementary amount is the total of:
4	Austudy payment	(a) so much of the payment as is included by way of rent assistance; and (b) so much of the payment as is included by way of remote area allowance; and (c) so much of the payment as is included by way of pharmaceutical allowance; and (d) so much of the payment as is included by way of tax-exempt pension supplement

37 Subsection 52-25(3) (example)

Omit “rental assistance”, substitute “rent assistance”.

38 Section 52-40 (table item 22B)

Repeal the item, substitute:

22B	Seniors supplement	Part 2.25B	Not applicable	Not applicable
22C	Quarterly pension supplement	Part 2.25C	Not applicable	Not applicable

39 Paragraph 52-70(a)

Omit “rental assistance”, substitute “rent assistance”.

40 Paragraph 53-15(a)

Omit “rental assistance”, substitute “rent assistance”.

Social Security Act 1991

41 Subsection 23(1)

Insert:

combined couple rate of minimum pension supplement has the meaning given by subsection 20A(2).

42 Subsection 23(1)

Insert:

combined couple rate of pension supplement has the meaning given by subsection 20A(1).

43 Subsection 23(1)

Insert:

minimum pension supplement amount has the meaning given by subsection 20A(4).

44 Subsection 23(1)

Insert:

pension supplement amount, for a person, means the amount added under the pension supplement Module (if any) of the Rate Calculator when working out the rate of the person's social security payment.

45 Subsection 23(1)

Insert:

pension supplement basic amount has the meaning given by subsection 20A(5).

46 Subsection 23(1)

Insert:

quarterly pension supplement means the separate social security payment described in subsection 1061VA(1).

47 Subsection 23(1) (definition of *seniors concession allowance*)

Repeal the definition.

48 Subsection 23(1)

Insert:

seniors supplement means seniors supplement under Part 2.25B.

49 Subsection 23(1)

Insert:

tax-exempt pension supplement has the meaning given by subsection 20A(6).

50 Subsection 44(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
- (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

51 Subparagraph 93H(b)(ii)

Omit "point 1065-BA2", substitute "Module BA of Pension Rate Calculator B".

52 Subparagraph 93J(3)(a)(ii)

Omit "point 1064-BA2", substitute "Module BA of Pension Rate Calculator A".

53 Subparagraph 93J(3)(b)(ii)

Omit "point 1065-BA2", substitute "Module BA of Pension Rate Calculator B".

54 Subparagraph 93J(4)(a)(ii)

Omit "point 1064-BA2", substitute "Module BA of Pension Rate Calculator A".

55 Subparagraph 93J(4)(b)(ii)

Omit "point 1065-BA2", substitute "Module BA of Pension Rate Calculator B".

56 Subsection 98(2)

Repeal the subsection, substitute:

Schedule 4 Pension supplements

Part 4 Other amendments

(2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:

- (a) an election by the person under subsection 1061VA(1) is in force; or
- (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

57 Subsection 148(2)

Repeal the subsection, substitute:

(2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:

- (a) an election by the person under subsection 1061VA(1) is in force; or
- (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

58 Subsection 199(2)

Repeal the subsection, substitute:

(2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:

- (a) an election by the person under subsection 1061VA(1) is in force; or
- (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

59 Subsection 236A(3) (definition of *pension supplement*)

Omit "point 1064-BA2", substitute "Module BA of Pension Rate Calculator A".

60 Subsection 316(2)

Repeal the subsection, substitute:

(2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:

- (a) an election by the person under subsection 1061VA(1) is in force; or
-

- (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

61 Subsection 364(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
 - (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

62 Subsection 408CA(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
 - (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

63 Subsection 500I(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
 - (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

64 Subsection 572(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
- (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

65 Subsection 608(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
- (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

66 Subsection 677(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
- (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

67 Subsection 732(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
- (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

68 Subsection 771HC(2)

Repeal the subsection, substitute:

- (2) Subsection (1) does not apply to a person if the person's rate would be nil merely because:
 - (a) an election by the person under subsection 1061VA(1) is in force; or
 - (b) the person has been paid an advance pharmaceutical allowance under the social security law or Division 2 of Part VIIA of the Veterans' Entitlements Act.

69 At the end of section 1061G

Add:

- (3) Even though a person is qualified for an advance pharmaceutical allowance, the allowance is not payable to the person if pharmaceutical allowance is not used to work out the rate of the person's social security pension.

70 Before paragraph 1061R(a)

Insert:

- (aa) if the person is receiving a social security payment for which a pension supplement amount is used to work out the rate of the payment, with a pension supplement amount that is more than the person's pension supplement basic amount; or
- (ab) if the person is receiving seniors supplement; or
- (ac) if an election by the person under subsection 1061VA(1) is in force; or

71 Section 1061T

Before "A", insert "(1)".

72 At the end of section 1061T

Add:

- (2) Even though a person is qualified for utilities allowance, the allowance is not payable to the person:
 - (a) if the person is receiving a social security payment for which a pension supplement amount is used to work out the rate of

- the payment, with a pension supplement amount that is more than the person's pension supplement basic amount; or
- (b) if the person is receiving seniors supplement; or
 - (c) if an election by the person under subsection 1061VA(1) is in force.

73 Paragraph 1061TA(2)(b)

Repeal the paragraph, substitute:

- (b) seniors concession allowance under the Veterans' Entitlements Act is payable in relation to that day; or

74 Subparagraph 1064-H1(aa)(ii)

After "because", insert "an election by the person under subsection 1061VA(1) is in force, or merely because".

75 Subparagraph 1065-E1(aa)(ii)

After "because", insert "an election by the person under subsection 1061VA(1) is in force, or merely because".

76 Subparagraph 1066-H1(aa)(ii)

After "because", insert "an election by the person under subsection 1061VA(1) is in force, or merely because".

77 Subparagraph 1068-J1(aa)(ii)

After "because", insert "an election by the person under subsection 1061VA(1) is in force, or merely because".

78 Subparagraph 1068A-F1(a)(ii)

After "because", insert "an election by the person under subsection 1061VA(1) is in force, or merely because".

79 Subparagraph 1068B-G1(b)(ii)

After "because", insert "an election by the person under subsection 1061VA(1) is in force, or merely because".

80 Subsection 1185K(4)

Omit "point 1064-BA2" (wherever occurring), substitute "Pension Rate Calculator A".

81 Subsection 1185Y(4)

Omit “point 1064-BA2” (wherever occurring), substitute “Pension Rate Calculator A”.

82 Section 1190 (table item 1AA)

Repeal the item, substitute:

1AA	Combined couple rate of pension supplement	PS rate	[subsection 20A(1)]
1AB	Combined couple rate of minimum pension supplement	PS minimum rate	[subsection 20A(2)]
1AC	Pension supplement basic amount	PS basic rate	[each item of the table in subsection 20A(5)]

83 Section 1190 (table item 44)

Repeal the item, substitute:

44	Pharmaceutical allowance Rate of pharmaceutical allowance for a person who is receiving a social security pension and is not a member of a couple	Pension PA “single” rate	[Pension Rate Calculator D—point 1066A-D8—Table—column 3—item 1] [Pension Rate Calculator E—point 1066B-D8—Table—column 3—item 1] [Pension PP (Single) Rate Calculator—point 1068A-C7]
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84 Section 1190 (table item 46)

Repeal the item, substitute:

46	Rate of pharmaceutical allowance for a person who is receiving a social security pension and has a partner	Pension PA “partnered” (item 2) rate	[Pension Rate Calculator D—point 1066A-D8—Table—column 3—item 2] [Pension Rate Calculator E—point 1066B-D8—Table—column 3—item 2]
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85 Section 1190 (table item 48)

Schedule 4 Pension supplements
Part 4 Other amendments

Repeal the item, substitute:

48	Rate of pharmaceutical allowance for a person who is receiving a social security pension and is a member of an illness separated or respite care couple	Pension PA “illness separated or respite care” rate	[Pension Rate Calculator D—point 1066A-D8—Table—column 3—items 3 and 4] [Pension Rate Calculator E—point 1066B-D8—Table—column 3—items 3 and 4]
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86 Section 1190 (table items 49A and 49B)

Repeal the items, substitute:

49A	Rate of pharmaceutical allowance for a person who is receiving a social security pension and has a partner who is getting a service pension	Pension PA “partnered” (item 4) rate	[Pension Rate Calculator D—point 1066A-D8—Table—column 3—item 4] [Pension Rate Calculator E—point 1066B-D8—Table—column 3—item 4]
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49B	Rate of pharmaceutical allowance for a person who is receiving a social security benefit and has a partner who is getting a service pension	Pension PA “partnered” (item 6) rate	[Pension Rate Calculator D—point 1066A-D8—Table—column 3—item 6] [Pension Rate Calculator E—point 1066B-D8—Table—column 3—item 6]
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87 Section 1190 (table item 56E)

Repeal the item.

88 At the end of section 1190

Add:

Note: Indexing the PS minimum rate will also result in the indexation of the rate of seniors supplement (see section 1061UB) and the rate of quarterly pension supplement (see section 1061VB).

89 Subsection 1191(1) (table item 1A)

Repeal the item, substitute:

1A	PS rate	(a) 20 March (b) 20 September	(a) December (b) June	highest June or December quarter before reference quarter (but not earlier than June quarter 2009)	\$5.20
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1B	PS minimum rate	(a) 20 March (b) 20 September	(a) December (b) June	highest June or December quarter before reference quarter (but not earlier than June quarter 2009)	\$5.20
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1C	PS basic rate	(a) 20 March (b) 20 September	(a) December (b) June	highest June or December quarter before reference quarter (but not earlier than December quarter 2008)	\$2.60
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90 Subsection 1191(1) (table item 33AE)

Repeal the item.

91 After subsection 1192(3A)

Insert:

- (3B) The first indexation of amounts under items 1A and 1B of the CPI Indexation Table in subsection 1191(1) is to take place on 20 March 2010.
- (3C) For the purposes of the first indexation of an amount under item 1C of the CPI Indexation Table in subsection 1191(1):
- (a) that first indexation is to take place on 20 September 2009; and
 - (b) the current figure for the amount immediately before 20 September 2009 is taken to be the amount specified in the relevant item of the table in subsection 20A(5).

92 Subsection 1192(6A)

Repeal the subsection.

93 Section 1210

Repeal the section, substitute:

1210 Application of income and assets test reductions and of compensation reductions for income tax purposes

- (1) If:
- (a) the rate of a person's social security payment is increased under Part 3.7 (rent assistance) and/or either of the following Modules of the Rate Calculator:
 - (i) the pension supplement Module (the *PS Module*) (if any);
 - (ii) the pharmaceutical allowance Module (the *PA Module*) (if any); and
 - (b) that rate is to be reduced under:
 - (i) the income test Module or the assets test Module of the Rate Calculator; or
 - (ii) section 1168 (compensation reductions);
- the reduction is to be applied as follows (in descending order):

Item	Component of the rate
1	all of the rate apart from any increase mentioned in paragraph (a)
2	the portion of the person's pension supplement amount (if any) equal to: (a) if the Rate Calculator produces an annual rate—the person's pension

Item	Component of the rate
	supplement basic amount; and (b) if the Rate Calculator produces a fortnightly rate— $1/26$ of the person's pension supplement basic amount
3	(a) if an election by the person under subsection 1061VA(1) is in force—any remaining portion of the person's pension supplement amount; or (b) otherwise—any remaining portion of the person's pension supplement amount to the extent to which it exceeds the person's minimum pension supplement amount
4	the amount of any increase under Part 3.7
5	the person's minimum pension supplement amount
6	the amount of any increase under the PA Module

Note: Table item (5) will not apply if an election by the person under subsection 1061VA(1) is in force, as the rate would have already been reduced to nil.

(2) For the purposes of subsection (1):

- (a) disregard table items 2, 3 and 5 if the person's rate is increased under the PA Module (if any) of the Rate Calculator; and
- (b) disregard table item 6 if the person's rate is increased under the PS Module (if any) of the Rate Calculator.

(3) If:

- (a) the rate (the *main rate*) of a person's social security payment is increased under the PS Module of the Rate Calculator; and
- (b) that rate is to be reduced as described in paragraph (1)(b); and
- (c) an election by the person under subsection 1061VA(1) is in force;

the person's quarterly pension supplement is reduced to the same extent (if any) that the component of the main rate that would correspond to the person's minimum pension supplement amount would be reduced under subsection (1) were the election not in force.

Note: The reduction will be disregarded unless the person's quarterly pension supplement is reduced to nil (see subsection 43(5A) of the Administration Act).

Schedule 4 Pension supplements
Part 4 Other amendments

(4) The following table sets out details of the Modules relevant to subsection (1):

Relevant Modules					
Item	Pension Rate Calculator	PS Module	PA Module	Income test Module	Assets test Module
1	Pension Rate Calculator A (section 1064)	Module BA	not applicable	Module E	Module G
2	Pension Rate Calculator C (section 1066)	Module BA	not applicable	Module E	Module G
3	Pension Rate Calculator D (section 1066A)	not applicable	Module D	Module F	Module H
4	Youth Allowance Rate Calculator (section 1067G)	not applicable	Module C	Module H	not applicable
5	Austudy Payment Rate Calculator (section 1067L)	Module BA	Module C	Module D	not applicable
6	Benefit Rate Calculator B (section 1068)	Module BA	Module D	Module G	not applicable
7	Pension PP (Single) Rate Calculator (section 1068A)	Module BA	Module C	Module E	not applicable
8	Benefit PP (partnered) Rate Calculator (section 1068B)	Module DA	Module E	Module D	not applicable

Social Security (Administration) Act 1999

94 Section 12D

Repeal the section, substitute:

12D Seniors supplement

A claim is not required for seniors supplement.

12DA Quarterly pension supplement

A claim is not required for quarterly pension supplement.

95 Subsections 43(4) and (5)

Repeal the subsections, substitute:

(4) If:

- (a) either of the following amounts (the ***added amount***) is added to a person's maximum basic rate for a particular day in working out the amount of an instalment of a social security payment:
 - (i) an amount of pharmaceutical allowance;
 - (ii) a pension supplement amount; and
- (b) if the added amount is a pension supplement amount used by the Rate Calculator to produce an annual rate—the pension supplement amount is more than the person's pension supplement basic amount; and
- (c) there is no election by the person under subsection 1061VA(1) in force on that day; and
- (d) apart from this subsection, the portion of the instalment corresponding to that day would be less than the person's minimum daily rate, but more than a nil amount;

the amount of that portion of the instalment is to be increased to the person's minimum daily rate.

(5) In this section:

minimum daily rate, for a person, means:

- (a) if the added amount is an amount of pharmaceutical allowance and the Rate Calculator for the social security payment produces a fortnightly rate—¹/₁₄ of that amount; or
- (b) if the added amount is an amount of pharmaceutical allowance and the Rate Calculator for the social security payment produces an annual rate—¹/₃₆₄ of that amount; or
- (c) if the added amount is a pension supplement amount—¹/₃₆₄ of the person's minimum pension supplement amount.

(5A) If:

- (a) an election by the person under subsection 1061VA(1) is in force on a particular day; and
- (b) apart from this subsection, the portion of the instalment of the person's quarterly pension supplement that corresponds to that day would be reduced under subsection 1210(3), but not reduced to a nil amount;

the amount of that portion of the instalment is not to be reduced under subsection 1210(3).

96 Subsection 55(1)

After "48B", insert ", 48C".

97 Subsections 68(1) and 69(1)

Omit "seniors concession allowance", substitute "seniors supplement".

98 Paragraph 75(1)(b)

Omit "seniors concession allowance", substitute "seniors supplement".

99 Section 78A

Omit "seniors concession allowance", substitute "seniors supplement".

100 Section 90A

Omit "seniors concession allowance", substitute "seniors supplement".

101 Section 123A (paragraph (e) of the definition of *relevant payment*)

Omit "seniors concession allowance", substitute "seniors supplement".

102 Section 123A (at the end of the definition of *relevant payment*)

Add:

; or (f) a payment of quarterly pension supplement.

Part 5—Application and transitional

103 Pension supplement amounts—modifications for temporary singles' rate

- (1) For the period:
- (a) starting on 20 September 2009; and
 - (b) ending on 19 March 2010;
- the *Social Security Act 1991* (as amended by this Schedule) applies with the modifications set out in subitems (2) to (9).
- (2) At the end of section 20A of that Act, add:
- (7) The *temporary singles' amount* is worked out as follows:
- (a) add up the following:
 - (i) the annual rate of utilities allowance for a person who is not a member of a couple;
 - (ii) the annual rate of telephone allowance for a person to whom section 1061SB (increased rate for home internet) applies, and who is not a member of a couple;
 - (iii) the annual rate of pharmaceutical allowance for a person who is not a member of a couple;
 - (iv) the pension supplement basic amount for a person who is not a member of a couple;
 - (v) \$130;
 - (b) round up the result of paragraph (a) to the nearest multiple of \$2.60.
- (8) For the purposes of subsection (7), a rate mentioned in a paragraph of that subsection is that rate as at 20 September 2009.
- (3) Omit point 1064-BA3 of that Act, substitute:
- Residents in Australia etc.—no election in force*
- 1064-BA3 The person's pension supplement amount is:
- (a) if the person is partnered—50% of the combined couple rate of pension supplement; and
 - (b) otherwise—the temporary singles' amount.

Schedule 4 Pension supplements
Part 5 Application and transitional

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

- (4) Omit point 1065-BA3 of that Act, substitute:

Residents in Australia etc.—no election in force

1065-BA3 The person's pension supplement amount is:

- (a) if the person is partnered—50% of the combined couple rate of pension supplement; and
- (b) otherwise—the temporary singles' amount.

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

- (5) Omit point 1066-BA3 of that Act, substitute:

Residents in Australia etc.—no election in force

1066-BA3 The person's pension supplement amount is:

- (a) if the person is partnered—50% of the combined couple rate of pension supplement; and
- (b) otherwise—the temporary singles' amount.

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

- (6) Omit point 1067L-BA3 of that Act, substitute:

Amount if no election in force

1067L-BA3 The person's pension supplement amount is:

- (a) if the person is partnered—¹/₂₆ of 50% of the combined couple rate of pension supplement; and
- (b) otherwise—¹/₂₆ of the temporary singles' amount.

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

- (7) Omit point 1068-BA3 of that Act, substitute:

Amount if no election in force

1068-BA3 The person's pension supplement amount is:

- (a) if the person is partnered—¹/₂₆ of 50% of the combined couple rate of pension supplement; and

(b) otherwise— $\frac{1}{26}$ of the temporary singles' amount.

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

(8) Omit point 1068A-BA3 of that Act, substitute:

Residents in Australia etc.—no election in force

1068A-BA3 The person's pension supplement amount is the temporary singles' amount.

(9) Omit point 1068B-DA3 of that Act, substitute:

Amount if no election in force

1068B-DA3 The person's pension supplement amount is:

- (a) if the person is partnered— $\frac{1}{26}$ of 50% of the combined couple rate of pension supplement; and
- (b) otherwise— $\frac{1}{26}$ of the temporary singles' amount.

Note: For *combined couple rate of pension supplement*, see subsection 20A(1).

104 Seniors concession allowance

Despite the repeal of the following provisions by this Schedule:

- (a) Part 2.25B of the *Social Security Act 1991*;
- (b) section 48B of the *Social Security (Administration) Act 1999*;

those provisions continue to apply in relation to the seniors concession allowance test day on 20 September 2009, as if those repeals had not happened.

105 Quarterly pension supplement

Part 2.25C of the *Social Security Act 1991* (as inserted by this Schedule) applies in relation to elections made under subsection 1061VA(1) of that Act (as inserted by this Schedule) on or after 1 July 2010.

Schedule 5—Flow-through of pension supplement to CPRS

Social Security Act 1991

1 Paragraphs 1061ZAAZA(2)(a) and (b)

Repeal the paragraphs, substitute:

- (a) a social security pension (other than a special needs pension), social security benefit or social security entitlement;
- (b) seniors supplement;

2 After paragraph 1061ZAAZA(2)(e)

Insert:

- (ea) seniors concession allowance under Part VIIAD of the *Veterans' Entitlements Act 1986*;

3 Subsection 1192(2) (note 3)

Repeal the note, substitute:

- Note 3: On the indexation days following 1 July 2012, the indexation of certain amounts may be affected by Division 8.

4 Subsection 1196(2) (note)

Omit "Note", substitute "Note 1".

5 At the end of subsection 1196(2)

Add:

- Note 2: On the indexation days following 1 July 2012, the indexation of certain amounts may be affected by Division 8.

6 Division 8 of Part 3.16

Repeal the Division, substitute:

Division 8—Increases related to Carbon Pollution Reduction Scheme

Subdivision A—Introduction

1206GF Objects of this Division

- (1) The main object of this Division is to increase certain amounts that affect the rate at which social security payments are made to certain recipients of payments of kinds that include the following, on account of the Carbon Pollution Reduction Scheme's estimated cost of living increase:
 - (a) age pension;
 - (b) austudy payment;
 - (c) bereavement allowance;
 - (d) carer payment;
 - (e) disability support pension;
 - (f) newstart allowance;
 - (g) parenting payment;
 - (h) partner allowance;
 - (i) sickness allowance;
 - (j) widow allowance;
 - (k) widow B pension;
 - (l) wife pension;
 - (m) youth allowance;
 - (n) social security payments of kinds specified under section 1206GJ.

- (2) Another object of this Division is to adjust indexation of those amounts after they are increased, to reflect the inclusion in the increases of elements brought forward from the Carbon Pollution Reduction Scheme's estimated cost of living increase.

Subdivision B—Increases to benefits

1206GG What this Subdivision applies to

This Subdivision applies to the following amounts (each of which is a *base amount*):

Schedule 5 Flow-through of pension supplement to CPRS

- (a) amounts provided for in a provision that is listed in column 1 of the following table and sets a rate;
- (b) amounts specified under section 1206GK as amounts to which this Subdivision applies.

Amounts that are increased		
Column 1	Column 2	Column 3
Provision for base amount	Description of amount	Rounding base for base amount
1 [Austudy Payment Rate Calculator—point 1067L-B2—Table BA—column 3—all amounts] [Austudy Payment Rate Calculator—point 1067L-B3]	AP MBR	\$0.10
2 [Benefit Rate Calculator B—point 1068-B1—Table B—column 3—all amounts]	Maximum basic rates for newstart allowance, sickness allowance, partner allowance and widow allowance	\$0.10
3 [Benefit PP (Partnered) Rate Calculator—point 1068B-C2—Table C—column 3—all amounts]	Maximum basic rate for parenting payment—benefit PP (partnered)	\$0.10
4 [Youth Allowance Rate Calculator—point 1067G-B2—Table BA—column 3—all amounts] [Youth Allowance Rate Calculator—point 1067G-B3—Table BB—column 3—all amounts] [Youth Allowance Rate Calculator—point 1067G-B4—	YA MBR	\$0.10

Amounts that are increased

Column 1	Column 2	Column 3
Provision for base amount	Description of amount	Rounding base for base amount
Table BC—column 3—all amounts]		

Note: Amounts provided for in provisions listed in the table are amounts as altered from time to time under Division 2 of this Part (CPI indexation).

1206GH Increase of 1% on 1 July 2011

This Act has effect as if, on 1 July 2011, each base amount were replaced by an amount (the *replacement amount*) worked out by:

- (a) calculating the amount (the *provisional replacement amount*) that is 1% greater than the base amount; and
- (b) if the provisional replacement amount is not a multiple of the rounding base for the base amount, rounding up or down to the nearest multiple of the rounding base (rounding up if the provisional replacement amount is not a multiple of the rounding base but is a multiple of half the rounding base).

Note: The 1% increase includes the Carbon Pollution Reduction Scheme’s estimated cost of living increase of 0.4% for the 2011-2012 financial year, which has been brought forward. The change to the indexation factor on or after 20 March 2012 under section 1206GL takes account of this brought forward increase.

1206GI Increase of 1.8% on 1 July 2012

This Act has effect as if, on 1 July 2012, the base amount were replaced by an amount (the *replacement amount*) worked out by:

- (a) calculating the amount (the *provisional replacement amount*) that is 1.8% greater than the base amount; and
- (b) if the provisional replacement amount is not a multiple of the rounding base for the base amount, rounding up or down to the nearest multiple of the rounding base (rounding up if the provisional replacement amount is not a multiple of the rounding base but is a multiple of half the rounding base).

Note: The 1.8% increase includes the Carbon Pollution Reduction Scheme’s estimated cost of living increase of 0.8% for the 2012-2013 financial year, which has also been brought forward. The change to the

indexation factor on or after 20 March 2013 under section 1206GM takes account of this second brought forward increase.

1206GJ Other kinds of payments affected by this Subdivision

- (1) The Minister may, by legislative instrument, specify kinds of social security payments in relation to which this Subdivision applies.

Note: For specification by class, see subsection 13(3) of the *Legislative Instruments Act 2003*.

- (2) Kinds of social security payments may be specified by reference to either or both of the following:
- (a) the persons to whom the payments are to be made;
 - (b) the circumstances in which the payments are to be made.
- (3) Subsection (2) does not limit subsection (1).

1206GK Other amounts to which this Subdivision applies

- (1) The Minister may, by legislative instrument, specify that this Subdivision applies to a specified amount that affects the rate at which a specified kind of social security payment is made.

Note 1: For specification by class, see subsection 13(3) of the *Legislative Instruments Act 2003*.

Note 2: A specified kind of payment could be a kind of payment specified under section 1206GJ.

- (2) If the Minister does so, the instrument must also specify a rounding base for the amount for the purposes of sections 1206GH and 1206GI.
- (3) An amount may be specified by reference to the fact that it affects the rate at which a specified kind of social security payment is made to specified persons or in specified circumstances.
- (4) An instrument made under subsection (1) may specify that this Subdivision applies to an amount so far as it affects the rate at which a specified kind of social security payment is made to specified persons or in specified circumstances.
- (5) Subsections (3) and (4) do not limit subsection (1).
- (6) An instrument made under subsection (1) has effect according to its terms.
-

Subdivision C—Adjustment of indexation for benefits

1206GL Special rules for indexation of some amounts on or after 20 March 2012

- (1) An indexation factor worked out under section 1193 for each indexation day that is:
- (a) for AP MBR and YA MBR—on or after 1 January 2013; or
 - (b) for any other base amount to which Subdivision B applies—on or after 20 March 2012;
- is to be reduced by the brought forward indexation amount, but not below 1.
- (2) In this section:

brought forward indexation amount, in relation to a day, means 0.004 less any reduction made under this section for a previous day.

Note: Once the brought forward indexation amount becomes zero, there will be no further reduction of the factor.

Example: Assume that the indexation factor worked out under section 1193 on 20 March 2012 is 1.003. The brought forward indexation amount in relation to 20 March 2012 is 0.004 (as there has been no previous reduction). That indexation factor is reduced to 1 on 20 March 2012.

Further assume that on 20 September 2012 the indexation factor is 1.010. The brought forward indexation amount in relation to 20 September 2012 is 0.001. That indexation factor is reduced to 1.009 on 20 September 2012.

The brought forward indexation amount in relation to later indexation days is now zero so there is no further reduction of the indexation factor.

- (3) This section affects the rate of a social security payment for a person if, and only if, section 1206GH affected that rate for the person.

1206GM Special rules for indexation of some amounts on or after 20 March 2013

- (1) An indexation factor worked out under section 1193 for each indexation day that is:
- (a) for AP MBR and YA MBR—on or after 1 January 2014; or

(b) for any other base amount to which Subdivision B applies—
on or after 20 March 2013;

is to be reduced by the brought forward indexation amount, but not below 1.

(2) In this section:

brought forward indexation amount, in relation to a day, means 0.008 less any reduction made under this section for a previous day.

Note: Once the brought forward indexation amount becomes zero, there will be no further reduction of the factor.

Example: Assume that the indexation factor worked out under section 1193 on 20 March 2013 is 1.005. The brought forward indexation amount in relation to 20 March 2013 is 0.008 (as there has been no previous reduction). That indexation factor is reduced to 1 on 20 March 2013.

Further assume that on 20 September 2013 the indexation factor is 1.010. The brought forward indexation amount in relation to 20 September 2013 is 0.003. That indexation factor is reduced to 1.007 on 20 September 2013.

The brought forward indexation amount in relation to later indexation days is now zero so there is no further reduction of the indexation factor.

(3) This section affects the rate of a social security payment for a person if, and only if, section 1206GI affected that rate for the person.

Subdivision D—Increases to pensions relating to 1 July 2011

1206GN Who this Subdivision applies to

This Subdivision applies to a person if, on 1 July 2011:

- (a) a pension supplement amount is used to work out the rate of the person's social security payment under one of the following Rate Calculators:
 - (i) Pension Rate Calculator A, B or C;
 - (ii) Pension PP (Single) Rate Calculator; and
- (b) that pension supplement amount is more than the person's pension supplement basic amount.

1206GO Increase of 1% on 1 July 2011

- (1) This Act has effect as if, on 1 July 2011, the PS rate used to work out the person's pension supplement amount on and after that day were replaced by the PS rate needed for the person's pension supplement amount to be equal to the amount worked out by:
 - (a) adding the person's CPRS amount to what, apart from this section, would be the person's pension supplement amount on that day; and
 - (b) if the amount resulting from paragraph (a) is not a multiple of \$2.60, rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).
- (2) This Act has effect as if, on 1 July 2011, the PS minimum rate used to work out the person's minimum pension supplement amount on and after that day were replaced by the PS minimum rate needed for the person's minimum pension supplement amount to be equal to the amount worked out by:
 - (a) adding the person's CPRS amount to what, apart from this section, would be the person's minimum pension supplement amount on that day; and
 - (b) if the amount resulting from paragraph (a) is not a multiple of \$2.60, rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).
- (3) In this section:

CPRS amount, for a person, means:

- (a) if the person is receiving a social security pension worked out under Pension Rate Calculator A—the sum of the following amounts:
 - (i) 1% of the person's maximum basic rate;
 - (ii) 1% of the person's pension supplement basic amount;and
- (b) otherwise—the result of paragraph (a) worked out as if the person were receiving a social security pension worked out under Pension Rate Calculator A.

Note: The 1% increase includes the Carbon Pollution Reduction Scheme's estimated cost of living increase of 0.4% for the 2011-2012 financial year, which has been brought forward. Subsection 1206GP(2), and the

change to the indexation factor, and living cost indexation factor, on or after 20 March 2012 under section 1206GP, take account of this brought forward increase.

1206GP Special rules for indexation of some amounts on or after 20 March 2012

- (1) An indexation factor worked out under section 1193 for each indexation day on or after 20 March 2012 for each of the following:

- (a) the person's pension MBR;
- (b) the person's PS minimum rate;

is to be reduced by the brought forward CPI indexation amount, but not below 1.

Note 1: The person's PS minimum rate is that rate as increased under subsection 1206GO(2).

Note 2: Once the brought forward CPI indexation amount becomes zero, there will be no further reduction of the factor.

Example: Assume that the indexation factor worked out under section 1193 on 20 March 2012 is 1.003. The brought forward CPI indexation amount in relation to 20 March 2012 is 0.004 (as there has been no previous reduction). That indexation factor is reduced to 1 on 20 March 2012.

Further assume that on 20 September 2012 the indexation factor is 1.010. The brought forward CPI indexation amount in relation to 20 September 2012 is 0.001. That indexation factor is reduced to 1.009 on 20 September 2012.

The brought forward CPI indexation amount in relation to later indexation days is now zero so there is no further reduction of the indexation factor.

- (2) If the indexation factor worked out under section 1193 for an indexation day is reduced under subsection (1), this Act has effect as if, on that day, the PS rate used to work out the person's pension supplement amount on and after that day were replaced by the PS rate needed for the person's pension supplement amount to be equal to the amount worked out as follows:

Method statement

- Step 1. Work out the person's minimum pension supplement amount on that day.

- Step 2. Work out what would, apart from subsection (1), be the person's minimum pension supplement amount on that day.
- Step 3. Subtract the result of step 1 from the result of step 2.
- Step 4. Subtract the result of step 3 from what would, apart from this subsection, be the person's pension supplement amount on that day.
- Step 5. If the result of step 4 is not a multiple of \$2.60, round the result up or down to the nearest multiple of \$2.60 (rounding up if the result is not a multiple of \$2.60 but is a multiple of \$1.30).

Note 1: The amount in step 1 is the amount worked out from the PS minimum rate as adjusted under subsection (1).

Note 2: The amount in step 2 is the amount worked out from the PS minimum rate as increased under subsection 1206GO(2), and as indexed under section 1192, but without the adjustment under subsection (1) of this section.

Note 3: For step 4, the amount that would, apart from this subsection, be the person's pension supplement amount is the amount worked out from the PS rate as increased under subsection 1206GO(1) and as indexed under section 1192.

- (3) A living cost indexation factor, worked out under section 1197 for each indexation day on or after 20 March 2012 for the person's pension MBR, is to be reduced by the brought forward PBLCI indexation amount, but not below 1.

Note: Once the brought forward PBLCI indexation amount becomes zero, there will be no further reduction of the factor.

Example: Assume that the living cost indexation factor worked out under section 1197 on 20 March 2012 is 1.003. The brought forward PBLCI indexation amount in relation to 20 March 2012 is 0.004 (as there has been no previous reduction). That indexation factor is reduced to 1 on 20 March 2012.

Further assume that on 20 September 2012 the living cost indexation factor is 1.010. The brought forward PBLCI indexation amount in relation to 20 September 2012 is 0.001. That indexation factor is reduced to 1.009 on 20 September 2012.

The brought forward PBLCI indexation amount in relation to later indexation days is now zero so there is no further reduction of the living cost indexation factor.

(4) In this section:

brought forward CPI indexation amount, in relation to a day, means:

- (a) if the brought forward PBLCI indexation amount in relation to the day is zero—zero; and
- (b) otherwise—0.004 less any reduction made under subsection (1) for a previous day.

brought forward PBLCI indexation amount, in relation to a day, means:

- (a) if the brought forward CPI indexation amount in relation to the day is zero—zero; and
- (b) otherwise—0.004 less any reduction made under subsection (3) for a previous day.

Subdivision E—Increases to pensions relating to 1 July 2012

1206GQ Who this Subdivision applies to

This Subdivision applies to a person if, on 1 July 2012:

- (a) a pension supplement amount is used to work out the rate of the person's social security payment under one of the following Rate Calculators:
 - (i) Pension Rate Calculator A, B or C;
 - (ii) Pension PP (Single) Rate Calculator; and
- (b) that pension supplement amount is more than the person's pension supplement basic amount.

1206GR Increase of 1.8% on 1 July 2012

- (1) This Act has effect as if, on 1 July 2012, the PS rate used to work out the person's pension supplement amount on and after that day were replaced by the PS rate needed for the person's pension supplement amount to be equal to the amount worked out by:
 - (a) adding the person's CPRS amount to what, apart from this section, would be the person's pension supplement amount on that day; and
 - (b) if the amount resulting from paragraph (a) is not a multiple of \$2.60, rounding the amount up or down to the nearest

multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

- (2) This Act has effect as if, on 1 July 2012, the PS minimum rate used to work out the person's minimum pension supplement amount on and after that day were replaced by the PS minimum rate needed for the person's minimum pension supplement amount to be equal to the amount worked out by:
- (a) adding the person's CPRS amount to what, apart from this section, would be the person's minimum pension supplement amount on that day; and
 - (b) if the amount resulting from paragraph (a) is not a multiple of \$2.60, rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).
- (3) In this section:

CPRS amount, for a person, means:

- (a) if the person is receiving a social security pension worked out under Pension Rate Calculator A—the sum of the following amounts:
 - (i) 1.8% of the person's maximum basic rate;
 - (ii) 1.8% of the person's pension supplement basic amount;and
- (b) otherwise—the result of paragraph (a) worked out as if the person were receiving a social security pension worked out under Pension Rate Calculator A.

Note: The 1.8% increase includes the Carbon Pollution Reduction Scheme's estimated cost of living increase of 0.8% for the 2012-2013 financial year, which has also been brought forward. Subsection 1206GS(2), and the change to the indexation factor, and living cost indexation factor, on or after 20 March 2013 under section 1206GS, take account of this second brought forward increase.

1206GS Special rules for indexation of some amounts on or after 20 March 2013

- (1) An indexation factor worked out under section 1193 for each indexation day on or after 20 March 2013 for each of the following:
- (a) the person's pension MBR;

(b) the person's PS minimum rate;
is to be reduced by the brought forward CPI indexation amount,
but not below 1.

Note 1: The person's PS minimum rate is that rate as increased under subsection 1206GR(2).

Note 2: Once the brought forward CPI indexation amount becomes zero, there will be no further reduction of the factor.

Example: Assume that the indexation factor worked out under section 1193 on 20 March 2013 is 1.005. The brought forward CPI indexation amount in relation to 20 March 2013 is 0.008 (as there has been no previous reduction). That indexation factor is reduced to 1 on 20 March 2013.

Further assume that on 20 September 2013 the indexation factor is 1.010. The brought forward CPI indexation amount in relation to 20 September 2013 is 0.003. That indexation factor is reduced to 1.007 on 20 September 2013.

The brought forward CPI indexation amount in relation to later indexation days is now zero so there is no further reduction of the indexation factor.

- (2) If the indexation factor worked out under section 1193 for an indexation day is reduced under subsection (1), this Act has effect as if, on that day, the PS rate used to work out the person's pension supplement amount on and after that day were replaced by the PS rate needed for the person's pension supplement amount to be equal to the amount worked out as follows:

Method statement

- Step 1. Work out the person's minimum pension supplement amount on that day.
- Step 2. Work out what would, apart from subsection (1), be the person's minimum pension supplement amount on that day.
- Step 3. Subtract the result of step 1 from the result of step 2.
- Step 4. Subtract the result of step 3 from what would, apart from this subsection, be the person's pension supplement amount on that day.
- Step 5. If the result of step 4 is not a multiple of \$2.60, round the result up or down to the nearest multiple of \$2.60

(rounding up if the result is not a multiple of \$2.60 but is a multiple of \$1.30).

- Note 1: The amount in step 1 is the amount worked out from the PS minimum rate as adjusted under subsection (1).
- Note 2: The amount in step 2 is the amount worked out from the PS minimum rate as increased under subsection 1206GR(2), and as indexed under section 1192, but without the adjustment under subsection (1) of this section.
- Note 3: For step 4, the amount that would, apart from this subsection, be the person's pension supplement amount is the amount worked out from the PS rate as increased under subsection 1206GR(1) and as indexed under section 1192.

- (3) A living cost indexation factor, worked out under section 1197 for each indexation day on or after 20 March 2013 for the person's pension MBR, is to be reduced by the brought forward PBLCI indexation amount, but not below 1.

Note: Once the brought forward PBLCI indexation amount becomes zero, there will be no further reduction of the factor.

Example: Assume that the living cost indexation factor worked out under section 1197 on 20 March 2013 is 1.005. The brought forward PBLCI indexation amount in relation to 20 March 2013 is 0.008 (as there has been no previous reduction). That indexation factor is reduced to 1 on 20 March 2013.

Further assume that on 20 September 2013 the living cost indexation factor is 1.010. The brought forward PBLCI indexation amount in relation to 20 September 2013 is 0.003. That indexation factor is reduced to 1.007 on 20 September 2013.

The brought forward PBLCI indexation amount in relation to later indexation days is now zero so there is no further reduction of the indexation factor.

- (4) In this section:

brought forward CPI indexation amount, in relation to a day, means:

- (a) if the brought forward PBLCI indexation amount in relation to the day is zero—zero; and
- (b) otherwise—0.008 less any reduction made under subsection (1) for a previous day.

brought forward PBLCI indexation amount, in relation to a day, means:

- (a) if the brought forward CPI indexation amount in relation to the day is zero—zero; and
- (b) otherwise—0.008 less any reduction made under subsection (3) for a previous day.

Subdivision F—Increases to pension PP (single) for persons residing in Australia who have not reached pension age and are in Australia

1206GT Persons receiving pension PP (single) on 1 July 2011

When this section applies

- (1) This section applies to a person if, on 1 July 2011:
 - (a) a pension supplement amount is used to work out the rate of the person's pension PP (single) for that day; and
 - (b) that pension supplement amount is the person's PS basic rate; and
 - (c) the person is residing in Australia and:
 - (i) is in Australia; or
 - (ii) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks.

Increase of 1% on 1 July 2011

- (2) This Act has effect as if, on 1 July 2011, the person's PS basic rate on and after that day were replaced by the amount worked out by:
 - (a) adding the person's CPRS amount to what, apart from this section, would be the person's PS basic rate on that day; and
 - (b) if the amount resulting from paragraph (a) is not a multiple of \$2.60, rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Special rules for indexation of some amounts on or after 20 March 2012

- (3) An indexation factor worked out under section 1193 for each indexation day on or after 20 March 2012 for each of the following:
 - (a) the person's pension MBR;
-

(b) the person's PS basic rate;
is to be reduced by the brought forward CPI indexation amount,
but not below 1.

Note 1: The person's PS basic rate is that rate as increased under subsection (2).

Note 2: Once the brought forward CPI indexation amount becomes zero, there will be no further reduction of the factor.

Example: Assume that the indexation factor worked out under section 1193 on 20 March 2012 is 1.003. The brought forward CPI indexation amount in relation to 20 March 2012 is 0.004 (as there has been no previous reduction). That indexation factor is reduced to 1 on 20 March 2012.

Further assume that on 20 September 2012 the indexation factor is 1.010. The brought forward CPI indexation amount in relation to 20 September 2012 is 0.001. That indexation factor is reduced to 1.009 on 20 September 2012.

The brought forward CPI indexation amount in relation to later indexation days is now zero so there is no further reduction of the indexation factor.

(4) In this section:

brought forward CPI indexation amount, in relation to a day, means 0.004 less any reduction made under subsection (1) for a previous day.

CPRS amount, for a person, means the sum of the following amounts worked out as if the person were receiving a social security pension worked out under Pension Rate Calculator A:

- (a) 1% of the person's maximum basic rate;
- (b) 1% of the person's pension supplement basic amount.

Note: The 1% increase includes the Carbon Pollution Reduction Scheme's estimated cost of living increase of 0.4% for the 2011-2012 financial year, which has been brought forward. The change to the indexation factor on or after 20 March 2012 under subsection (3) takes account of this brought forward increase.

1206GU Persons receiving pension PP (single) on 1 July 2012

When this section applies

- (1) This section applies to a person if, on 1 July 2012:
 - (a) a pension supplement amount is used to work out the rate of the person's pension PP (single) for that day; and

- (b) that pension supplement amount is the person's PS basic rate; and
- (c) the person is residing in Australia and:
 - (i) is in Australia; or
 - (ii) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks.

Increase of 1.8% on 1 July 2012

- (2) This Act has effect as if, on 1 July 2012, the person's PS basic rate on and after that day were replaced by the amount worked out by:
 - (a) adding the person's CPRS amount to what, apart from this section, would be the person's PS basic rate on that day; and
 - (b) if the amount resulting from paragraph (a) is not a multiple of \$2.60, rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Special rules for indexation of some amounts on or after 20 March 2013

- (3) An indexation factor worked out under section 1193 for each indexation day on or after 20 March 2013 for each of the following:
 - (a) the person's pension MBR;
 - (b) the person's PS basic rate;

is to be reduced by the brought forward CPI indexation amount, but not below 1.

Note 1: The person's PS basic rate is that rate as increased under subsection (2).

Note 2: Once the brought forward CPI indexation amount becomes zero, there will be no further reduction of the factor.

Example: Assume that the indexation factor worked out under section 1193 on 20 March 2013 is 1.005. The brought forward CPI indexation amount in relation to 20 March 2013 is 0.008 (as there has been no previous reduction). That indexation factor is reduced to 1 on 20 March 2013.

Further assume that on 20 September 2013 the indexation factor is 1.010. The brought forward CPI indexation amount in relation to 20 September 2013 is 0.003. That indexation factor is reduced to 1.007 on 20 September 2013.

The brought forward CPI indexation amount in relation to later indexation days is now zero so there is no further reduction of the indexation factor.

(4) In this section:

brought forward CPI indexation amount, in relation to a day, means 0.008 less any reduction made under subsection (1) for a previous day.

CPRS amount, for a person, means the sum of the following amounts worked out as if the person were receiving a social security pension worked out under Pension Rate Calculator A:

- (a) 1.8% of the person's maximum basic rate;
- (b) 1.8% of the person's pension supplement basic amount.

Note: The 1.8% increase includes the Carbon Pollution Reduction Scheme's estimated cost of living increase of 0.8% for the 2012-2013 financial year, which has also been brought forward. The change to the indexation factor on or after 20 March 2013 under subsection (3) takes account of this second brought forward increase.

7 After clause 149 of Schedule 1A

Insert:

149A Increases in rates payable under clause 146 related to Carbon Pollution Reduction Scheme

Application

- (1) This clause applies if:
 - (a) clause 146 affects the rate at which a social security pension is payable to a person for a day on or after 1 July 2011; and
 - (b) subclause 147(1) or (2) is relevant to the person.

Purpose

- (2) The purpose of this clause is to ensure appropriate increases in the rate of the person's pension on account of the Carbon Pollution Reduction Scheme's estimated cost of living increase, by:
 - (a) providing for increases in the amount described in subparagraph 146(4)(a)(i) of this Schedule; and
 - (b) modifying the operation of Subdivisions D and E of Division 8 of Part 3.16 (which apply because of clause 149).

Increase on 1 July 2011

- (3) This Act has effect as if, on 1 July 2011, the amount described in subparagraph 146(4)(a)(i) of this Schedule (apart from this subclause) for the person were replaced by the amount worked out by:
- (a) adding the CPRS amount defined in subsection 1206GO(3) for the person (worked out disregarding clause 149) to the amount described in subparagraph 146(4)(a)(i) of this Schedule on that day (apart from this subclause); and
 - (b) if the amount resulting from paragraph (a) is not a multiple of \$2.60, rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Increase on 1 July 2012

- (4) This Act has effect as if, on 1 July 2012, the amount described in subparagraph 146(4)(a)(i) of this Schedule (apart from this subclause) for the person were replaced by the amount worked out by:
- (a) adding the CPRS amount defined in subsection 1206GR(3) for the person (worked out disregarding clause 149) to the amount described in subparagraph 146(4)(a)(i) of this Schedule on that day (apart from this subclause); and
 - (b) if the amount resulting from paragraph (a) is not a multiple of \$2.60, rounding the amount up or down to the nearest multiple of \$2.60 (rounding up if the amount is not a multiple of \$2.60 but is a multiple of \$1.30).

Modification of Division 8 of Part 3.16

- (5) Subsections 1206GP(1) and 1206GS(1), and the definition of ***brought forward CPI indexation amount*** (except paragraph (a) of that definition) in each of subsections 1206GP(4) and 1206GS(4), apply in relation to the amount described in subparagraph 146(4)(a)(i) of this Schedule for the person in the same way as they apply in relation to the person's PS minimum rate.
- (6) Subsections 1206GP(2) and 1206GS(2) apply as if each reference in those subsections to the PS rate were a reference to the amount

described in subparagraph 146(4)(a)(i) of this Schedule for the person.

Note: The reference in step 4 of the method statement in each of subsections 1206GP(2) and 1206GS(2), as they apply because of this clause, to what would, apart from that subsection, be the person's pension supplement amount is a reference to that amount worked out taking account of clause 149. Note 3 to each of those subsections is not relevant to the application of those subsections because of this clause.

- (7) The following provisions do not affect the rate of the person's pension worked out under clause 146 or an amount worked out in relation to the person's pension because of clause 149:
- (a) subsection 1206GO(1);
 - (b) paragraph 1206GP(1)(a);
 - (c) subsection 1206GP(3);
 - (d) subsection 1206GR(1);
 - (e) paragraph 1206GS(1)(a);
 - (f) subsection 1206GS(3).

Schedule 6—Income tests

Part 1—Taper rate

Social Security Act 1991

1 Point 1064-E10 (formula)

Omit “0.4”, substitute “0.5”.

2 Point 1066-E8 (formula)

Omit “0.4”, substitute “0.5”.

3 Point 1066A-F9

Repeal the point, substitute:

*Pension reduction for ordinary income in excess of ordinary
income free area*

1066A-F9 A person’s reduction for ordinary income is:

Ordinary income excess \times 0.5

Part 2—Income free area

Social Security Act 1991

4 Point 1064-E1 (method statement, step 2)

Omit “points 1064-E4 to 1064-E9”, substitute “point 1064-E4”.

5 Point 1064-E4

Omit “plus an additional corresponding amount in column 5 for each dependent child of the person”.

6 Point 1064-E4 (table E-1, columns 5 and 6)

Repeal the columns.

7 Point 1064-E4 (note 2)

Repeal the note.

8 Points 1064-E5, 1064-E6, 1064-E7, 1064-E8, 1064-E9 and 1064-E12

Repeal the points.

9 Point 1066-E1 (method statement, step 2)

Omit “points 1066-E4 to 1066-E7”, substitute “point 1066-E4”.

10 Point 1066-E4

Omit “plus an additional amount in column 3 for each dependent child of the person”.

11 Point 1066-E4 (table E, columns 3 and 4)

Repeal the columns.

12 Point 1066-E4 (note 1)

Repeal the note.

13 Point 1066-E4 (note 2)

Omit “2”.

14 Points 1066-E5, 1066-E6, 1066-E7 and 1066-E10

Repeal the points.

15 Point 1066A-F1 (method statement, step 2)

Omit “points 1066A-F3 to 1066A-F8”, substitute “point 1066A-F3”.

16 Point 1066A-F3

Omit “plus an additional corresponding amount in column 5 for each dependent child of the person”.

17 Point 1066A-F3 (table F-1, columns 5 and 6)

Repeal the columns.

18 Point 1066A-F3 (note 2)

Repeal the note.

**19 Points 1066A-F4, 1066A-F5, 1066A-F6, 1066A-F7, 1066A-F8
and 1066A-F11**

Repeal the points.

Part 3—Application of amendments

20 Application of amendments

The amendments made by this Schedule apply for the purposes of working out the rates of social security payments for days on or after 20 September 2009.

Note: After applying those amendments, different rates for some social security payments may be worked out under Schedule 1A to the *Social Security Act 1991*.

Schedule 7—Work bonus

Social Security Act 1991

1 Point 1064-E1 (note 2)

After:

- the general concept of ordinary income (sections 1072 and 1073);

insert:

- the work bonus (section 1073AA);

2 Point 1066-E1 (note 2)

After:

- the general concept of ordinary income (sections 1072 and 1073);

insert:

- the work bonus (section 1073AA);

3 Section 1072 (note 2)

After “see”, insert “section 1073AA (work bonus)”.

4 After Division 1 of Part 3.10

Insert:

Division 1AAA—Work bonus

1073AA Work bonus

(1) This section applies to a person if:

- (a) the person’s rate of social security pension is calculated in accordance with Pension Rate Calculator A at the end of section 1064 or Pension Rate Calculator C at the end of section 1066; and
- (b) the person has reached pension age.

Note: For *pension age* see subsections 23(5A), (5B), (5C) and (5D).

(2) If the person’s employment income for an instalment period is greater than or equal to the income concession amount for that period, the amount of the person’s employment income to be

disregarded for that period for the purposes of Module E of that Rate Calculator is 50% of that income concession amount.

- (3) If a person’s employment income for an instalment period is less than the income concession amount for that period, the amount of the person’s employment income to be disregarded for that period for the purposes of Module E of that Rate Calculator is 50% of the person’s employment income for that period.

Definition

- (4) The **income concession amount** is:
 - (a) for an instalment period of 14 days—\$500; and
 - (b) for an instalment period of less than 14 days—the amount worked out using the following formula:

$$\$500 \times \frac{\text{Number of days in the instalment period}}{14}$$

Interpretation

- (5) For the purposes of this section, a person’s employment income for an instalment period includes an amount that is taken to have been earned, derived or received over that period because of subsection 1073A(1).
- (6) To avoid doubt, apply this section before applying point 1064-E2 or point 1066-E2 (whichever is relevant).

Example 1: David and Amy are members of a couple. David earns \$50 of employment income in an instalment period of 14 days and Amy earns \$500 of employment income in that period.

For David, \$25 of the \$50 is disregarded for the purposes of the ordinary income test.

For Amy, \$250 of the \$500 is disregarded for the purposes of the ordinary income test.

Example 2: Ian and Simone are members of a couple. Ian earns no employment income in an instalment period of 14 days and Simone earns \$1,000 of employment income in that period.

For Simone, \$250 is disregarded for the purposes of the ordinary income test (which is 50% of the income concession amount).

5 Application

The amendment made by item 4 applies in respect of an instalment period that includes 20 September 2009 and later instalment periods.

Schedule 8—Employment income attribution for persons of pension age

Social Security Act 1991

1 Subparagraph 1073A(1)(b)(ii)

Omit “and”.

2 Subparagraph 1073A(1)(b)(iii)

Repeal the subparagraph.

3 Section 1073B

Before “If”, insert “(1)”.

4 Paragraph 1073B(c)

Repeal the paragraph.

5 At the end of section 1073B

Add:

- (2) If a person has reached pension age and is receiving a social security benefit, subsection (1) does not apply to the person, to the extent that it relates to that benefit.

Note 1: Subsection (1) applies to a person who has not reached pension age and is receiving a social security benefit.

Note 2: For *pension age* see subsections 23(5A), (5B), (5C) and (5D).

6 Application

The amendments made by this Schedule apply in relation to employment income that is earned, derived or received, or is taken to have been earned, derived or received, on or after the commencement of this item.

Schedule 9—Pension bonus scheme

Social Security Act 1991

1 After subsection 92J(1)

Insert:

- (1A) However, the Secretary must not register a person as a member of the pension bonus scheme if the person's date of qualification for the age pension occurs on or after 20 September 2009.
- (1B) For the purposes of subsection (1A), subsections 92H(8) and (9) apply in a way corresponding to the way in which they apply for the purposes of section 92H.

2 Application

The amendment made by item 1 applies in relation to applications for registration that are made on or after the commencement of that item.

Schedule 10—Transitional arrangements

Part 1—Main amendment

Social Security Act 1991

1 At the end of Schedule 1A

Add:

144 Saving and transitional provisions for section 93H

Saving provision

- (1) Section 93H, as in force before 20 September 2009, continues to apply to set a person's annual pension rate for the purposes of Division 6 of Part 2.2A if the start day for the age pension was before 20 September 2009.

Indexation of subsection 93H(4) amounts on 20 September 2009

- (2) Part 3.16, as amended by Part 3 of Schedule 1 to the *Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009*, applies to the indexation on 20 September 2009, and later indexation days, of the amounts in subsection 93H(4).

145 Saving provision for income test taper rate for disability support pensioners under 21 without dependent children

- (1) Point 1066A-F9, as in force before 20 September 2009, continues to apply to working out a person's rate of disability support pension under Pension Rate Calculator D in section 1066A if:
 - (a) the person was receiving disability support pension immediately before that day at a rate worked out under that Calculator; and
 - (b) the rate was worked out taking account of an ordinary income excess under point 1066A-F10 that was more than nil.

Note: This clause is relevant only if Pension Rate Calculator D in section 1066A continues to apply to working out the person's rate of disability support pension.

- (2) Subclause (1) ceases to apply, and does not apply ever again, in relation to the person if:
- (a) the person's rate of disability support pension under Pension Rate Calculator D in section 1066A for a day on or after 20 September 2009 is worked out taking account of an ordinary income excess under point 1066A-F10 that is nil or less; or
 - (b) Pension Rate Calculator D in section 1066A ceases to apply for working out the person's rate of disability support pension for a day on or after 20 September 2009; or
 - (c) the person ceases to receive disability support pension on or after 20 September 2009.

146 Transitional provision for rates of certain social security pensions on and after 20 September 2009

Application

- (1) This clause applies if:
- (a) on 19 September 2009 a person was receiving one of the following social security pensions:
 - (i) age pension;
 - (ii) disability support pension;
 - (iii) wife pension;
 - (iv) carer payment;
 - (v) bereavement allowance;
 - (vi) widow B pension;
 - (vii) special needs pension; and
 - (b) the person continues (without a break) to receive one of those social security pensions (whether or not of the same sort as the one the person received on that day).

Purpose

- (2) This clause has effect for the purposes of working out the rate of one of those social security pensions for the person for a day (the **relevant day**) after 19 September 2009 under point 1064-A1,

1065-A1 or 1066-A1, or under section 796 so far as one or more of those points are relevant because of that section.

Provisional annual payment rate

- (3) The person's provisional annual payment rate is taken to be the amount worked out under subclause (4) if the total of:
- (a) $\frac{1}{364}$ of that amount; and
 - (b) the amount (if any) of DFISA that would be payable to the person on the relevant day assuming that:
 - (i) the person's provisional annual payment rate were the amount worked out under subclause (4); and
 - (ii) the amendments made by Schedules 6 and 7 to the *Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009* had not been made;
- is greater than the total of:
- (c) $\frac{1}{364}$ of the person's provisional annual payment rate apart from this clause; and
 - (d) the amount (if any) of DFISA that would be payable to the person on the relevant day apart from this clause.

Note: The provisional annual payment rate is an amount worked out under the method statement in whichever of points 1064-A1 and 1066-A1 is relevant. Point 1064-A1 may be relevant of its own force or because of point 1065-A1 or section 796.

- (4) The amount is the one that would be the provisional annual payment rate under the relevant point if:
- (a) the maximum payment rate for the person were the total of:
 - (i) the amount worked out under whichever of subclauses 147(1), (2), (3) and (4) is relevant to the person; and
 - (ii) the amount (if any) per year calculated for the person under paragraph 1070A(b) (for rent assistance);reduced, if subclause 147(1) or (2) is relevant to the person and an election by the person under subsection 1061VA(1) is in force, by the minimum pension supplement amount; and
 - (b) the amendments made by Schedules 6 and 7 to the *Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009* had not been made.

Schedule 10 Transitional arrangements
Part 1 Main amendment

- Note 1: The maximum payment rate is an amount used in points 1064-A1 and 1066-A1.
- Note 2: Subclause 147(1) deals with a person in Australia who is not a member of a couple or is a member of an illness separated couple or respite care couple, or is partnered (partner in gaol).
- Note 3: Subclause 147(2) deals with a person in Australia who is a member of a couple (but not a member of an illness separated couple or respite care couple, and not partnered (partner in gaol)).
- Note 4: Subclause 147(3) deals with a person who has been outside Australia for more than 13 weeks and is not a member of a couple or is a member of an illness separated couple or respite care couple, or is partnered (partner in gaol).
- Note 5: Subclause 147(4) deals with a person who has been outside Australia for more than 13 weeks and is a member of a couple (but not a member of an illness separated couple or respite care couple, and not partnered (partner in gaol)).
- Note 6: The amount described in subparagraph (4)(a)(i) is indexed under sections 1191 to 1194 (CPI indexation) on and after 20 March 2010.

Limit on future application of subclause (3)

- (5) Subclause (3) does not apply again for working out the rate of a social security pension of the person for a day after the relevant day if the amount worked out under subclause (4) for the relevant day is less than or equal to the person's provisional annual payment rate for the relevant day apart from this clause.

Relationship with DFISA provisions

- (6) This clause does not affect the operation of Part VIIAB (Defence Force Income Support Allowance and related payments) of the *Veterans' Entitlements Act 1986* for the purposes of working out amounts of payments under that Part after working out the provisional annual payment rate for a social security pension taking account of this clause.

147 Amounts for subparagraph 146(4)(a)(i)

Single Australian resident in Australia

- (1) For the purposes of subparagraph 146(4)(a)(i), work out the amount as follows, if, on the relevant day:
- (a) the person's family situation is any of the following:
- (i) not a member of a couple;

- (ii) member of an illness separated couple;
- (iii) member of a respite care couple;
- (iv) partnered (partner in gaol); and
- (b) the person is residing in Australia; and
- (c) the person either:
 - (i) is in Australia; or
 - (ii) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks.

Method statement

Step 1. Work out what each of the following amounts (described using the abbreviation used in Part 3.16 for the amount) would be on 20 September 2009, taking account of indexation (if any) under that Part on that day, if the *Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009* had not been enacted:

- (a) the amount that would be the pension MBR for a person who is not a member of a couple assuming that section 1195 did not apply on 20 September 2009;
- (b) pension supplement for a person who is not (and was not on 1 July 2000) a member of a couple;
- (c) pension PA “single” rate;
- (d) TA (Internet) “single” rate;
- (e) UA “single” rate.

Step 2. Identify the greater of the amount described in paragraph (e) of step 1 and \$525.20 (or either of them if they are the same).

Step 3. Add up all the amounts worked out under step 1 and the amount identified under step 2.

Step 4. If the result of step 3 is not a multiple of \$2.60, round that result up to the next multiple of \$2.60.

Note 1: For *member of a couple, illness separated couple, respite care couple* and *partnered (partner in gaol)* see section 4.

Note 2: Subsection 7(3) is relevant to determining whether a person is residing in Australia.

Note 3: Section 1190 explains the abbreviations used in Part 3.16.

Partnered Australian resident in Australia

- (2) For the purposes of subparagraph 146(4)(a)(i), work out the amount as follows, if, on the relevant day:
- (a) the person is a member of a couple, but not a member of an illness separated couple or respite care couple and not partnered (partner in gaol); and
 - (b) the person is residing in Australia; and
 - (c) the person either:
 - (i) is in Australia; or
 - (ii) is temporarily absent from Australia and has been so for a continuous period not exceeding 13 weeks.

Method statement

Step 1. Work out what each of the following amounts (described using the abbreviation used in Part 3.16 for the amount) would be on 20 September 2009, taking account of indexation (if any) under that Part on that day, if the *Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009* had not been enacted:

- (a) the amount that would be the pension MBR for a person who is a member of a couple (but not a member of an illness separated couple or respite care couple and not partnered (partner in gaol)) assuming that section 1195 did not apply on 20 September 2009;
- (b) pension supplement for a person who is (and was on 1 July 2000) a member of a couple (but not a

member of an illness separated couple or respite care couple and not partnered (partner in gaol));

- (c) Pension PA “partnered” (item 2) rate;
- (d) TA (Internet) “partnered” (item 5) rate;
- (e) half the UA “single” rate.

Step 2. Identify the greater of the amount described in paragraph (e) of step 1 and \$262.60 (or either of them if they are the same).

Step 3. Add up all the amounts worked out under step 1 and the amount identified under step 2.

Step 4. If the result of step 3 is not a multiple of \$2.60, round that result up to the next multiple of \$2.60.

Note 1: For *member of a couple, partnered, illness separated couple, respite care couple* and *partnered (partner in gaol)* see section 4.

Note 2: Subsection 7(3) is relevant to determining whether a person is residing in Australia.

Note 3: Section 1190 explains the abbreviations used in Part 3.16.

Single person not covered by subclause (1)

(3) For the purposes of subparagraph 146(4)(a)(i), work out the amount as follows, if, on the relevant day:

- (a) the person’s family situation is any of the following:
 - (i) not a member of a couple;
 - (ii) member of an illness separated couple;
 - (iii) member of a respite care couple;
 - (iv) partnered (partner in gaol); and
- (b) the person either:
 - (i) is not residing in Australia; or
 - (ii) is absent from Australia and has been so for a continuous period exceeding 13 weeks.

Method statement

Step 1. Work out what each of the following amounts (described using the abbreviation used in Part 3.16 for the amount) would be on 20 September 2009, taking account of indexation under that Part on that day, if the *Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009* had not been enacted:

- (a) the amount that would be the pension MBR for a person who is not a member of a couple assuming that section 1195 did not apply on 20 September 2009;
- (b) pension supplement for a person who is not (and was not on 1 July 2000) a member of a couple.

Step 2. Add up the amounts worked out under step 1.

Note 1: For *member of a couple, illness separated couple, respite care couple* and *partnered (partner in gaol)* see section 4.

Note 2: Subsection 7(3) is relevant to determining whether a person is residing in Australia.

Note 3: Section 1190 explains the abbreviations used in Part 3.16.

Partnered person not covered by subclause (2)

- (4) For the purposes of subparagraph 146(4)(a)(i), work out the amount as follows, if, on the relevant day:
 - (a) the person is a member of a couple, but not a member of an illness separated couple or respite care couple and not partnered (partner in gaol); and
 - (b) the person either:
 - (i) is not residing in Australia; or
 - (ii) is absent from Australia and has been so for a continuous period exceeding 13 weeks.

Method statement

Step 1. Work out what each of the following amounts (described using the abbreviation used in Part 3.16 for the amount) would be on 20 September 2009, taking account of

indexation under that Part on that day, if the *Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009* had not been enacted:

- (a) the amount that would be the pension MBR for a person who is a member of a couple (but not a member of an illness separated couple or respite care couple and not partnered (partner in gaol)) assuming that section 1195 did not apply on 20 September 2009;
- (b) pension supplement for a person who is (and was on 1 July 2000) a member of a couple (but not a member of an illness separated couple or respite care couple and not partnered (partner in gaol)).

Step 2. Add up the amounts worked out under step 1.

Note 1: For *member of a couple, partnered, illness separated couple, respite care couple* and *partnered (partner in gaol)* see section 4.

Note 2: Subsection 7(3) is relevant to determining whether a person is residing in Australia.

Note 3: Section 1190 explains the abbreviations used in Part 3.16.

148 Rate of social security payments to partners of persons affected by clause 146

- (1) This clause applies if clause 146 applies to a person who is a member of a couple and that clause affects the rate at which a social security pension is payable to the person.
- (2) In working out the amount of a social security payment payable to a partner of the person, assume that the social security pension payable to the person is payable at the rate at which it would be payable if clause 146 had not been enacted.

149 Payment and income tax consequences of receiving social security pension at rate affected by clause 146

Application

- (1) This clause applies if clause 146 affects the rate at which a social security pension is payable to a person.

Purpose

- (2) The purpose of this clause is to ensure that the person is treated appropriately in relation to the payment, and income taxation, of the pension by modifying the operation of the social security law (and thus affecting the related income tax law) in relation to the person and the pension.

Note: This clause does not modify the operation of subsection 20A(4), which provides for working out the person's minimum pension supplement amount.

Pension supplement amount

- (3) The social security law applies in relation to the person's pension as if the amount described in subparagraph 146(4)(a)(i), as affected by any indexation and any relevant reduction described in paragraph 146(4)(a), were an amount added under the pension supplement Module of the relevant Pension Rate Calculator (and therefore used to work out the rate of the pension).

Note 1: One effect of subclause (3) is that the amount is the person's pension supplement amount (as defined in subsection 23(1)).

Note 2: If that amount exceeds the person's pension supplement basic amount (as affected by subclause (4)), other effects of subclause (3) include the following:

- (a) the excess being tax-exempt pension supplement under subsection 20A(6) of this Act;
- (b) Part 2.25C (Quarterly pension supplement) of this Act applying, which may affect timing of payment of some of the pension under the Administration Act;
- (c) the possibility of the minimum amount of fortnightly instalments of the pension being affected under section 43 of the Administration Act;
- (d) telephone allowance not being payable because of section 1061R of this Act;
- (e) utilities allowance not being payable because of section 1061T of this Act.

Note 3: Yet another effect of subclause (3) is that section 1210 will affect the operation of reductions of the maximum payment rate because of the income test and assets test.

Pension supplement basic amount

- (4) The social security law applies in relation to the person's pension as if:
- (a) each reference in the table in subsection 20A(5) to \$507 were a reference to \$14,814.80; and
 - (b) the reference in the table in subsection 20A(5) to \$423.80 were a reference to \$12,373.40.

Note 1: This affects the person's pension supplement basic amount.

Note 2: The provisions for indexing amounts in the table in subsection 20A(5) apply to the higher figures mentioned in this subclause.

Part 2—Related amendments

Division 1—Amendments commencing on 20 September 2009

Social Security Act 1991

2 At the end of point 1064-A1

Add:

Note 7: Clause 146 of Schedule 1A may affect the provisional annual payment rate in step 11.

3 At the end of point 1066-A1

Add:

Note 6: Clause 146 of Schedule 1A may affect the provisional annual payment rate in step 11.

Division 2—Amendments commencing on 21 September 2009

Social Security Act 1991

4 Section 1190 (at the end of the table)

Add:

**Maximum
transitional pension
rates**

66.	Maximum transitional pension rates	Maximum transitional pension rates	Subparagraph 146(4)(a)(i) of Schedule 1A
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5 Subsection 1191(1) (at the end of the table)

Add:

Maximum

	transitional pension rates				
38.	Maximum transitional pension rates	(a) 20 March (b) 20 September	(a) December (b) June	highest June or December quarter before reference quarter (but not earlier than June quarter 2008)	\$2.60

Schedule 11—Pension age

Social Security Act 1991

1 Subsection 23(5A)

Repeal the subsection, substitute:

Pension age

(5A) A man born during the period specified in column 2 of an item in the following table reaches *pension age* when he turns the age specified in column 3 of that item.

Table—Pension age for men		
Column 1 Item	Column 2 Period during which man was born	Column 3 Pension age
1	On or before 30 June 1952	65 years
2	1 July 1952 to 31 December 1953	65 years and 6 months
3	1 January 1954 to 30 June 1955	66 years
4	1 July 1955 to 31 December 1956	66 years and 6 months
5	On or after 1 January 1957	67 years

2 Subsection 23(5D)

Repeal the subsection, substitute:

(5D) A woman born during the period specified in column 2 of an item in the following table reaches *pension age* when she turns the age specified in column 3 of that item.

Table—Pension age for women		
Column 1 Item	Column 2 Period during which woman was born	Column 3 Pension age
1	1 January 1949 to 30 June 1952	65 years
2	1 July 1952 to 31 December 1953	65 years and 6 months
3	1 January 1954 to 30 June 1955	66 years
4	1 July 1955 to 31 December 1956	66 years and 6 months

Table—Pension age for women		
Column 1	Column 2	Column 3
Item	Period during which woman was born	Pension age
5	On or after 1 January 1957	67 years

Schedule 12—Advance payments

Social Security Act 1991

1 Subsection 23(1)

Insert:

advance payment qualifying amount, for a person, means:

- (a) if the person is receiving a social security pension worked out under Pension Rate Calculator A—the sum of the following amounts:
 - (i) the person’s maximum basic rate;
 - (ii) the amount (if any) by which the person’s pension supplement amount exceeds the person’s minimum pension supplement amount; or
- (b) otherwise—the result of paragraph (a) worked out as if the person were receiving a social security pension worked out under Pension Rate Calculator A.

2 Paragraph 1061A(1)(b)

Omit “made”, substitute “lodged”.

3 After subsection 1061A(2)

Insert:

Disqualification—age, disability support, wife and widow B pensions and carer payment

- (3) A person is not qualified for an advance payment of an age pension, disability support pension, wife pension, carer payment or widow B pension if:
 - (a) the maximum amount of advance payment to which the person would be entitled under Division 4 is less than $\frac{1}{52}$ of the person’s advance payment qualifying amount; or
 - (b) the amount of an advance payment of a social security entitlement that the person received in full (whether as a single lump sum or in instalments) more than 12 months ago has not been fully repaid; or

- (c) the person owes a debt to the Commonwealth (whether arising under this Act or not) that is recoverable under Part 5.2 by means of deductions from the person's social security payment.

The amount worked out under paragraph (a) must be rounded to the nearest cent (rounding 0.5 cents upwards).

Note 1: Paragraph (a) does not prevent payment of an advance payment in instalments of less than the amount worked out under that paragraph.

Note 2: For *advance payment qualifying amount*, see subsection 23(1).

4 Subsection 1061A(4)

After "advance payment" (first occurring), insert "of a social security entitlement not covered by subsection (3)".

Note: The heading to subsection 1061A(4) is replaced by the heading "*Disqualification—other social security entitlements*".

5 At the end of subsection 1061A(4)

Add:

Note: Paragraph (a) does not prevent payment of an advance payment in instalments of less than \$250.

6 Subsection 1061E(2)

Omit "made", substitute "lodged".

7 Before section 1061ED

Insert:

1061ECA Amount of advance payment—age, disability support, wife and widow B pensions and carer payment

Application

- (1) The amount of an advance payment of any of the following social security pensions is worked out according to this section:
 - (a) age pension;
 - (b) disability support pension;
 - (c) wife pension;
 - (d) carer payment;
 - (e) widow B pension.

Amount of advance

- (2) The amount of the advance payment is the smaller of the following amounts:
- (a) the amount of advance payment sought;
 - (b) the maximum amount of advance payment payable to the person as worked out as follows:

Method statement

- Step 1. Work out $\frac{3}{52}$ of the person's advance payment qualifying amount.
- Step 2. Work out the annual rate at which the social security pension was payable to the person on the last payday before the application for the advance payment was lodged, disregarding:
- (a) any amount payable by way of remote area allowance; and
 - (b) so much of the person's pension supplement amount (if any) as is equal to the person's minimum pension supplement amount.
- Step 3. Work out the smaller of the result of step 1 and 7.5% of the result of step 2.
- Step 4. Subtract the following from the result of step 3:
- (a) each advance payment (if any) of a social security entitlement paid to the person during any of the 13 fortnights immediately before the application for the current advance payment was lodged;
 - (b) each other advance payment (if any) of a social security entitlement paid to the person that has not been fully repaid.
- Step 5. The result of step 4 (rounded to the nearest cent (rounding 0.5 cents upwards)) is the maximum amount of advance payment payable to the person.

Note 1: The amount of the advance payment will be more than the minimum qualifying amount for the person (see paragraph 1061A(3)(a)).

Note 2: For *advance payment qualifying amount*, see subsection 23(1).

Note: The heading to section 1061ED is replaced by the heading “**Amount of advance payment—pension PP (single)**”.

8 Subsection 1061ED(1)

Repeal the subsection, substitute:

Application

- (1) The amount of an advance payment of pension PP (single) is worked out according to this section.

9 Subsection 1061ED(2)

Omit “Subject to section 1061EH, the”, substitute “The”.

10 At the end of subsection 1061ED(2)

Add:

Note: The amount of the advance payment will be at least \$250 (see paragraph 1061A(4)(a)).

11 Subsection 1061ED(3) (definition of *annual payment rate*)

Repeal the definition, substitute:

annual payment rate means:

- (a) if the person was receiving pension PP (single) on the last payday before the application for the advance payment was lodged—the rate at which the pension was payable under the Pension PP (Single) Rate Calculator to the person on that payday, disregarding any amount payable by way of remote area allowance; or
- (b) if the person was receiving benefit PP (partnered) on the last payday before the application for the advance payment was lodged—the rate at which pension PP (single) is payable to the person under the Pension PP (Single) Rate Calculator on the person’s first pension PP (single) payday after the application for the advance payment was lodged, disregarding any amount payable by way of remote area allowance.

12 Subsection 1061ED(4) (example)

Omit “age pension”, substitute “pension PP (single)”.

13 Subsection 1061EE(2)

Omit “Subject to section 1061EH, the”, substitute “The”.

14 At the end of subsection 1061EE(2)

Add:

Note: The amount of the advance payment will be at least \$250 (see paragraph 1061A(4)(a)).

15 Subsection 1061EE(6) (paragraphs (a) and (b) of the definition of *fortnightly payment rate*)

Omit “made”, substitute “lodged”.

16 Section 1061EH

Repeal the section.

17 Application

The amendments made by this Schedule apply in relation to applications for advance payment lodged on or after 1 July 2010.

Schedule 13—Commonwealth seniors health card

Social Security Act 1991

1 At the end of point 1071-3 (before the notes)

Add:

- ; (e) the person's reportable superannuation contributions (within the meaning of the *Income Tax Assessment Act 1997*) for that year.

2 Application

- (1) The amendment made by item 1 applies in relation to:
 - (a) claims for seniors health cards made on or after the commencement of that item; and
 - (b) seniors health cards granted before, on or after the commencement of that item.
- (2) However, the amendment does not affect a person's qualification for a seniors health card before that commencement.

Veterans' Entitlements Act 1986

3 At the end of point 118ZZA-3 (before the notes)

Add:

- ; (e) the person's reportable superannuation contributions (within the meaning of the *Income Tax Assessment Act 1997*) for that year.

4 Application

- (1) The amendment made by item 3 applies in relation to:
 - (a) claims for seniors health cards made on or after the commencement of that item; and
 - (b) seniors health cards granted before, on or after the commencement of that item.

- (2) However, the amendment does not affect a person's eligibility for a seniors health card before that commencement.

Schedule 14—Indexation under the family assistance law

A New Tax System (Family Assistance) Act 1999

1 Subsection 3(1) (definition of *CPC rate*)

Repeal the definition.

2 Subsection 3(7)

Repeal the subsection.

3 Subclause 3(1) of Schedule 4 (table item 17B)

Repeal the item, substitute:

17B	MIA	1 July	December	highest December quarter before reference quarter (but not earlier than December quarter 2008)	\$1.00
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4 Subclause 4(2) of Schedule 4 (method statement, step 4)

Omit “(The indexed amount may be increased under clause 7 in certain cases.)”.

5 Part 3 of Schedule 4

Repeal the Part.

Schedule 15—Portability of payments

Social Security Act 1991

1 Section 1217 (table item 3)

Omit “section 1218AA”, substitute “sections 1218AA and 1218”.

2 Section 1217 (table items 5, 6, 9 and 10)

After “13 weeks”, insert “(but see also section 1218)”.

3 Section 1217 (table item 11)

Omit “section”, substitute “sections 1218 and”.

4 Section 1217 (table item 20)

After “13 weeks”, insert “(but see also section 1218)”.

5 Paragraph 1218(1)(b)

Omit “youth allowance or austudy payment”, substitute “disability support pension, wife pension, carer payment, widow B pension, widow allowance, parenting payment, youth allowance, austudy payment or partner allowance”.

6 Subsection 1218(2)

Omit “youth allowance or austudy payment”, substitute “disability support pension, wife pension, carer payment, widow B pension, widow allowance, parenting payment, youth allowance, austudy payment or partner allowance”.

7 Section 1218B

Before “If”, insert “(1)”.

8 At the end of section 1218B

Add:

(2) This section is subject to section 1218.

9 Application

The amendments made by this Schedule apply in relation to periods of absences beginning on or after the commencement of this item.

Schedule 16—Excluded income

Social Security Act 1991

1 After paragraph 8(8)(za)

Insert:

- (zaa) an amount received under the scheme known as the Western Australian Cost of Living Rebate Scheme, where the amount is received during the financial year beginning on 1 July 2009, 1 July 2010 or 1 July 2011;
- (zab) the value of a benefit obtained by using a card known as the Western Australian Country Age Pension Fuel Card, where the use occurs during the financial year beginning on 1 July 2009, 1 July 2010 or 1 July 2011;

Veterans' Entitlements Act 1986

2 After paragraph 5H(8)(ze)

Insert:

- (zea) an amount received under the scheme known as the Western Australian Cost of Living Rebate Scheme, where the amount is received during the financial year beginning on 1 July 2009, 1 July 2010 or 1 July 2011;
- (zeb) the value of a benefit obtained by using a card known as the Western Australian Country Age Pension Fuel Card, where the use occurs during the financial year beginning on 1 July 2009, 1 July 2010 or 1 July 2011;

Schedule 17—Amendments relating to aged care

Part 1—Main amendments

Aged Care Act 1997

1 Subsection 44-7(1B)

Omit “This”, substitute “Subject to subsection (1D), this”.

2 Subsection 44-7(1C)

Omit “This”, substitute “Subject to subsection (1E), this”.

3 After subsection 44-7(1C)

Insert:

(1D) If:

- (a) a determination covered by subsection (1B) is made in relation to a person; and
- (b) the time specified in the determination is on or after 20 September 2009;

subsection (1B) has effect as if the reference to paragraph (1)(c) were a reference to that paragraph modified by omitting “2.5” from subparagraph (i) and substituting “2.25”.

(1E) If:

- (a) a determination covered by subsection (1C) is made in relation to a person; and
- (b) the applicable time under subsection (2) is on or after 20 September 2009;

subsection (1C) has effect as if the reference to paragraph (1)(c) were a reference to that paragraph modified by omitting “2.5” from subparagraph (i) and substituting “2.25”.

4 Subsection 44-8(1B)

Omit “This”, substitute “Subject to subsection (1D), this”.

5 Subsection 44-8(1C)

Omit “This”, substitute “Subject to subsection (1E), this”.

6 After subsection 44-8(1C)

Insert:

(1D) If:

- (a) a determination covered by subsection (1B) is made in relation to a person; and
- (b) the time specified in the determination is on or after 20 September 2009;

subsection (1B) has effect as if the reference to paragraph (1)(c) were a reference to that paragraph modified by:

- (c) omitting “4” from subparagraph (i) and substituting “3.61”; and
- (d) omitting “2.5” from subparagraph (iii) and substituting “2.25”.

(1E) If:

- (a) a determination covered by subsection (1C) is made in relation to a person; and
- (b) the applicable time under subsection (2) is on or after 20 September 2009;

subsection (1C) has effect as if the reference to paragraph (1)(c) were a reference to that paragraph modified by:

- (c) omitting “4” from subparagraph (i) and substituting “3.61”; and
- (d) omitting “2.5” from subparagraph (iii) and substituting “2.25”.

7 Subsection 44-21(3) (income tested reduction calculator, step 4, paragraph (b))

Omit “150%”, substitute “135%”.

8 Paragraph 44-23(4)(a)

Omit “150%”, substitute “135%”.

9 Section 44-26

Repeal the section, substitute:

44-26 The care recipient's *total assessable income free area*

General rule

- (1) The ***total assessable income free area*** for a care recipient (other than a *protected resident or a *phased resident) is the sum of:
 - (a) the amount worked out by applying point 1064-B1 of Pension Rate Calculator A at the end of section 1064 of the *Social Security Act 1991*; and
 - (b) the amount worked out under point 1064-BA4 of Pension Rate Calculator A at the end of section 1064 of the *Social Security Act 1991*; and
 - (c) the amount worked out by applying point 1064-E4 of Pension Rate Calculator A at the end of section 1064 of the *Social Security Act 1991*.

Protected residents

- (2) The ***total assessable income free area*** for a care recipient who is a *protected resident is the sum of:
 - (a) the amount worked out by applying old point 1064-B1; and
 - (b) the amounts referred to in paragraphs (1)(b) and (c).

Note: ***Old point 1064-B1*** is defined in subsection (6).

Phased residents

- (3) The ***total assessable income free area*** for a care recipient who is a *phased resident is:
 - (a) if the calculation is in respect of the period 20 September 2009 to 19 March 2010 (inclusive)—the sum of:
 - (i) the amount worked out by applying old point 1064-B1; and
 - (ii) the amounts referred to in paragraphs (1)(b) and (c); or
 - (b) if the calculation is in respect of a period (the ***relevant period***) referred to in the table in subsection (5)—the sum of:
 - (i) the amount worked out by applying old point 1064-B1; and
 - (ii) the amount for the relevant period worked out in accordance with subsection (4) (rounded to the nearest cent); and
 - (iii) the amounts referred to in paragraphs (1)(b) and (c).

Schedule 17 Amendments relating to aged care
Part 1 Main amendments

- (4) For the purposes of subparagraph (3)(b)(ii), the amount for the relevant period is the applicable percentage, for that period, of the amount that is the difference between:
- (a) the amount worked out by applying point 1064-B1 of Pension Rate Calculator A at the end of section 1064 of the *Social Security Act 1991*, as that point has effect in that period; and
 - (b) the amount worked out by applying old point 1064-B1.
- (5) The applicable percentage for a relevant period is as set out in the following table:

Total assessable income free area—phased residents		
Item	If the relevant period is ...	the applicable percentage is ...
1	20 March 2010 to 19 September 2010 (inclusive)	14.3
2	20 September 2010 to 19 March 2011 (inclusive)	28.6
3	20 March 2011 to 19 September 2011 (inclusive)	42.9
4	20 September 2011 to 19 March 2012 (inclusive)	57.2
5	20 March 2012 to 19 September 2012 (inclusive)	71.5
6	20 September 2012 to 19 March 2013 (inclusive)	85.8

Definition

- (6) In this section:

old point 1064-B1 means point 1064-B1 of Pension Rate Calculator A at the end of section 1064 of the *Social Security Act 1991*, as that point has effect on 19 September 2009.

10 At the end of section 44-27

Add:

- ; (d) the resident contribution top up supplement (see section 44-32).

11 Paragraph 44-28(3)(b)

Repeal the paragraph, substitute:

- (b) either:
-

- (i) if the time (the *entry time*) of the care recipient's entry was before 20 September 2009—that accommodation bond exceeded the amount obtained by rounding to the nearest \$500.00 (rounding \$250.00 upwards) an amount equal to 10 times the *basic age pension amount; or
- (ii) if the time (the *entry time*) of the care recipient's entry was on or after 20 September 2009—that accommodation bond exceeded the amount obtained by rounding to the nearest \$500.00 (rounding \$250.00 upwards) an amount equal to 9 times the *basic age pension amount;

12 At the end of Subdivision 44-F

Add:

44-32 The resident contribution top up supplement

- (1) The resident contribution top up supplement for the care recipient in respect of the *payment period is the sum of all the resident contribution top up supplements for the days during the period on which:
 - (a) the care recipient was provided with residential care through the residential care service in question; and
 - (b) the care recipient was eligible for a resident contribution top up supplement.
- (2) The care recipient is eligible for a resident contribution top up supplement on a particular day if the care recipient is a *phased resident on that day.
- (3) The resident contribution top up supplement for the care recipient for a particular day is an amount equal to the difference between:
 - (a) the amount that is the standard resident contribution for a care recipient for that day under subsection 58-3(1); and
 - (b) the amount that is the standard resident contribution for a *phased resident for that day under subsection 58-4(4).

13 Subsection 57-12(3)

Repeal the subsection, substitute:

- (3) A care recipient's *minimum permissible asset value* is:

- (a) if the time (the *entry time*) of the care recipient's *entry to the residential care service or flexible care service is before 20 September 2009:
 - (i) the amount obtained by rounding to the nearest \$500.00 (rounding \$250.00 upwards) an amount equal to 2.5 times the *basic age pension amount at the entry time; or
 - (ii) such higher amount as is specified in, or worked out in accordance with, the User Rights Principles; or
- (b) if the time (the *entry time*) of the care recipient's entry to the residential care service or flexible care service is on or after 20 September 2009:
 - (i) the amount obtained by rounding to the nearest \$500.00 (rounding \$250.00 upwards) an amount equal to 2.25 times the *basic age pension amount at the entry time; or
 - (ii) such higher amount as is specified in, or worked out in accordance with, the User Rights Principles.

14 Subsection 57-12(5) (paragraph (a) of table item 1)

Omit "paragraphs (1)(b) and (3)(a)", substitute "paragraph (1)(b) and subsection (3)".

15 Section 58-2 (resident fee calculator, step 1)

Omit "58-4 or 58-4A", substitute "58-3B, 58-3C or 58-4".

16 Sections 58-3, 58-4 and 58-4A

Repeal the sections, substitute:

58-3 Standard resident contribution

General rule

- (1) The *standard resident contribution* for a care recipient is the amount obtained by rounding down to the nearest cent an amount equal to 84% of the *basic age pension amount (worked out on a per day basis).

Exceptions

- (2) However, the *standard resident contribution* for a care recipient who is:
- (a) a *protected resident; or
 - (b) a care recipient to whom section 58-3C applies; or
 - (c) a *phased resident;
- is the amount referred to in subsection 58-3B(3), 58-3C(3) or 58-4(4) (as the case requires).

58-3A Meaning of *pre-September 2009 resident* and *post-September 2009 resident*

Pre-September 2009 resident

- (1) A person is a *pre-September 2009 resident* if:
- (a) the person is being provided with residential care through a residential care service; and
 - (b) either:
 - (i) the person *entered a residential care service before 20 September 2009; or
 - (ii) the person was on *pre-entry leave from a residential care service immediately before 20 September 2009 and the person entered the residential care service on or after 20 September 2009 at the end of that pre-entry leave; and
 - (c) the person has not had a break in residential care of more than 28 days between:
 - (i) the last residential care service through which residential care was provided, or taken to be provided, to the person before 20 September 2009 and the next residential care service through which residential care is provided, or taken to be provided, to the person; and
 - (ii) any residential care service through which residential care is provided, or taken to be provided, to the person on or after 20 September 2009 and the next residential care service through which residential care is provided, or taken to be provided, to the person.

Post-September 2009 resident

- (2) A person is a ***post-September 2009 resident*** if:
- (a) the person is being provided with residential care through a residential care service; and
 - (b) the person is not a *pre-September 2009 resident.

Break in residential care

- (3) For the purposes of subsection (1), the period:
- (a) beginning on the day on which a person ceases to be provided with residential care through a residential care service (other than because the person is on *leave from the residential care service); and
 - (b) ending on the day on which the person *enters, or begins *pre-entry leave, with the next residential care service through which residential care is provided, or taken to be provided, to the person;

is a ***break in residential care*** for the person.

Person not provided with residential care while on respite leave

- (4) For the purposes of subsections (1), (2) and (3), a person is not provided, or taken to be provided, with residential care during any period during which the person is being provided with *respite care.

58-3B Standard resident contribution—protected residents

Meaning of protected resident

- (1) A care recipient is a ***protected resident*** if:
- (a) the care recipient is a *pre-September 2009 resident; and
 - (b) the care recipient is not a *pre-2008 reform resident to whom section 58-3C applies; and
 - (c) on 19 September 2009, the care recipient was not receiving an *income support payment.
- (2) A care recipient is also a ***protected resident*** if:
- (a) the care recipient is a *pre-September 2009 resident; and
 - (b) the care recipient is not a *pre-2008 reform resident to whom section 58-3C applies; and
-

- (c) on 19 September 2009, the care recipient was receiving an *income support payment; and
- (d) the amount determined under paragraph 44-24(2)(b), (3)(b) or (4)(b) (as the case requires), for the purposes of working out the care recipient's *total assessable income in respect of 20 September 2009, is equal to or more than the sum of:
 - (i) the amount worked out by applying point 1064-E4 of Pension Rate Calculator A at the end of section 1064 of the *Social Security Act 1991*; and
 - (ii) \$5,668.00.

Standard resident contribution

- (3) The *standard resident contribution* for a care recipient who is a *protected resident is the greater of the following:
 - (a) \$33.41;
 - (b) that amount as indexed on 20 September 2009, and from time to time after that date, in the same way that it would be indexed under the *Social Security Act 1991* if it were an annual maximum basic rate under point 1064-B1 of that Act applying to a person who is not a member of a couple (within the meaning of that point).

58-3C Standard resident contribution—certain pre-2008 reform residents

Care recipients to whom this section applies

- (1) This section applies to a care recipient if:
 - (a) the care recipient is a *pre-2008 reform resident; and
 - (b) on 19 September 2009, the care recipient did not have a dependent child; and
 - (c) on 19 September 2009, one or more of the following requirements is met:
 - (i) the care recipient was not receiving an *income support payment;
 - (ii) for *entry to the residential care service in question, the care recipient had paid an *accommodation bond that was more than the amount obtained by rounding to the nearest \$500.00 (rounding \$250.00 upwards) an amount

- equal to 10 times the *basic age pension amount at the time of entry;
- (iii) the *daily income tested reduction in respect of the care recipient was an amount worked out under section 44-23; and
 - (d) on 20 September 2009 and on each day since that day, the care recipient does not have a *dependent child; and
 - (e) on 20 September 2009 and on each day since that day, one or more of the following requirements is met:
 - (i) the care recipient is not receiving an *income support payment;
 - (ii) if the care recipient *entered the residential care service in question before 20 September 2009—the care recipient paid an *accommodation bond for the entry that was more than the amount obtained by rounding to the nearest \$500.00 (rounding \$250.00 upwards) an amount equal to 10 times the *basic age pension amount at the time of entry;
 - (iii) if the care recipient *entered the residential care service in question on or after 20 September 2009—the care recipient paid an *accommodation bond that was more than the amount obtained by rounding to the nearest \$500.00 (rounding \$250.00 upwards) an amount equal to 9 times the *basic age pension amount at the time of entry;
 - (iv) the *daily income tested reduction in respect of the care recipient was an amount worked out under section 44-23.
- (2) For the purposes of subparagraphs (1)(c)(ii), (1)(e)(ii) and (1)(e)(iii), if the care recipient has elected under subsection 57-17(1) to pay an *accommodation bond by periodic payments, the amount of the accommodation bond is taken to be what would have been payable by the care recipient in accordance with Subdivision 57-E had the care recipient paid it as a lump sum.

Standard resident contribution

- (3) The ***standard resident contribution*** for a care recipient to whom this section applies is the greater of the following:
- (a) \$41.61;

- (b) that amount as indexed on 20 September 2009, and from time to time after that date, in the same way that it would be indexed under the *Social Security Act 1991* if it were an annual maximum basic rate under point 1064-B1 of that Act applying to a person who is not a member of a couple (within the meaning of that point).

58-4 Standard resident contribution—phased residents

Meaning of phased resident

- (1) A care recipient is a ***phased resident*** on a particular day if:
 - (a) the care recipient is a *post-September 2009 resident on that day; and
 - (b) that day is in the period 20 September 2009 to 19 March 2013 (inclusive); and
 - (c) on the day on which the care recipient *enters the residential care service in question, the care recipient is not receiving an *income support payment.
- (2) A care recipient is also a ***phased resident*** on a particular day if:
 - (a) the care recipient is a *post-September 2009 resident on that day; and
 - (b) that day is in the period 20 September 2009 to 19 March 2013 (inclusive); and
 - (c) on the day (the ***entry day***) on which the care recipient *enters the residential care service in question, the care recipient is receiving an *income support payment; and
 - (d) the amount determined under paragraph 44-24(2)(b), (3)(b) or (4)(b) (as the case requires), for the purposes of working out the care recipient's *total assessable income in respect of the entry day, is equal to or more than the amount (the ***threshold amount***) worked out under subsection (3).
- (3) For the purposes of paragraph (2)(d), the ***threshold amount*** is the sum of:
 - (a) the amount worked out by applying point 1064-E4 of Pension Rate Calculator A at the end of section 1064 of the *Social Security Act 1991*; and
 - (b) the greater of the following:
 - (i) \$5,668.00;

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- (ii) that amount as indexed on 20 March 2010, and from time to time after that date, in the same way that it would be indexed under the *Social Security Act 1991* if it were an annual maximum basic rate under point 1064-B1 of that Act applying to a person who is not a member of a couple (within the meaning of that point).

Standard resident contribution

- (4) The ***standard resident contribution*** in respect of a particular day, for a care recipient who is a *phased resident on that day, is:
 - (a) if the day is in the period 20 September 2009 to 19 March 2010 (inclusive)—the greater of the following:
 - (i) \$33.41;
 - (ii) that amount as indexed on 20 September 2009 in the same way that it would be indexed under the *Social Security Act 1991* if it were an annual maximum basic rate under point 1064-B1 of that Act applying to a person who is not a member of a couple (within the meaning of that point); or
 - (b) if the day is in a period (the ***relevant period***) referred to in the table in subsection (5)—the amount obtained by rounding down to the nearest cent an amount equal to the applicable percentage, for that period, of the *basic age pension amount (worked out on a per day basis).
- (5) The applicable percentage for a relevant period is as set out in the following table:

Standard resident contribution—phased residents		
Item	If the relevant period is ...	the applicable percentage is ...
1	20 March 2010 to 19 September 2010 (inclusive)	78
2	20 September 2010 to 19 March 2011 (inclusive)	79
3	20 March 2011 to 19 September 2011 (inclusive)	80
4	20 September 2011 to 19 March 2012 (inclusive)	81
5	20 March 2012 to 19 September 2012 (inclusive)	82
6	20 September 2012 to 19 March 2013 (inclusive)	83

17 Clause 1 of Schedule 1

Insert:

phased resident has the meaning given by section 58-4.

18 Clause 1 of Schedule 1

Insert:

post-September 2009 resident has the meaning given by section 58-3A.

19 Clause 1 of Schedule 1

Insert:

pre-September 2009 resident has the meaning given by section 58-3A.

20 Clause 1 of Schedule 1

Insert:

protected resident has the meaning given by section 58-3B.

21 Clause 1 of Schedule 1 (definition of *standard pensioner contribution*)

Repeal the definition.

22 Clause 1 of Schedule 1 (definition of *standard resident contribution*)

Omit “58-4 or 58-4A”, substitute “58-3B, 58-3C or 58-4”.

Part 2—Application provisions

23 Application of item 7

The amendment made by item 7 of this Schedule applies in relation to the calculation of the daily income tested reduction under subsection 44-21(3) of the *Aged Care Act 1997* for a day that is on or after 20 September 2009.

24 Application of item 8

The amendment made by item 8 of this Schedule applies in relation to the calculation of the daily income tested reduction under subsection 44-23(4) of the *Aged Care Act 1997* for a day that is on or after 20 September 2009.

25 Application of item 9

The amendment made by item 9 of this Schedule applies in relation to the calculation of the total assessable income free area for a care recipient under section 44-26 of the *Aged Care Act 1997* for the purposes of working out the daily income tested reduction in respect of the care recipient for a day that is on or after 20 September 2009.

26 Application of items 10 and 12

The amendments made by items 10 and 12 of this Schedule apply in relation to the calculation of the residential care subsidy for a care recipient under section 44-2 of the *Aged Care Act 1997* in respect of a day that is on or after 20 September 2009.

27 Application of items 15 and 16

The amendments made by items 15 and 16 of this Schedule apply in relation to the calculation of the standard resident contribution for a care recipient under Division 58 of the *Aged Care Act 1997* in respect of a day that is on or after 20 September 2009.

Schedule 18—Operational area

Veterans' Entitlements Act 1986

1 Paragraph 5B(2)(b)

Omit “or 14”, substitute “, 14 or 15”.

2 Schedule 2 (at the end of the table)

Add:

- | | | |
|-----|--|--|
| 15. | The area of the Red Sea north of the parallel 20 degrees north latitude. | The period from and including 13 January 1993 to and including 19 January 1993 |
|-----|--|--|

*[Minister's second reading speech made in—
House of Representatives on 15 June 2009
Senate on 17 June 2009]*

(115/09)
